

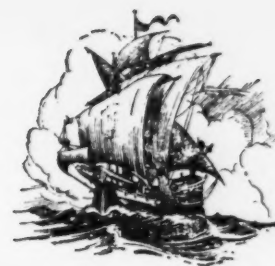
ILLINOIS AGENTS NUMBER

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, OCTOBER 27, 1932

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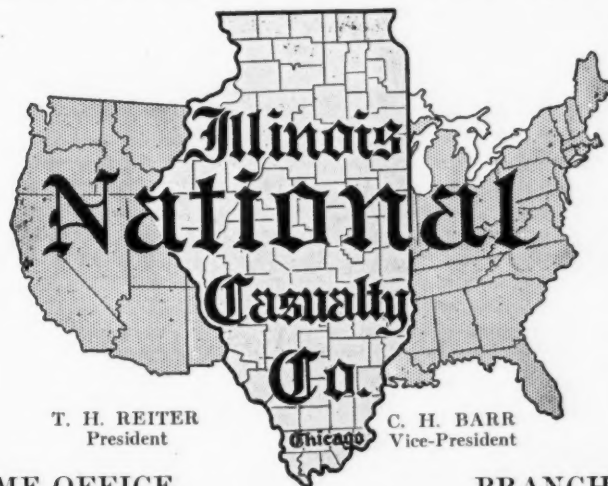
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The National Underwriter

Thirty-Sixth Year No. 43

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, OCTOBER 27, 1932

\$4.00 Per Year, 20 Cents a Copy

Van Schaick Hits Mixing of Funds

Urges Brokers to Keep Premiums, Personal Moneys Separate

SELF-CONTROL ADVISED

New York Superintendent Addresses Annual Banquet of General Brokers Association of New York

NEW YORK, Oct. 26.—The desirability of brokers keeping premium collections in separate accounts from their personal funds was urged by Superintendent Van Schaick of New York in his address before the General Brokers Association of New York Tuesday night. Practically all the complaints against brokers which the department receives, he said, result from improper handling of premiums.

"Considering the number of insurance brokers licensed in New York, complaints of unprofessional conduct are relatively few," Mr. Van Schaick said. "What there are, however, are of sufficient importance to cause such an organization as yours to examine fundamental causes and see if some improvement is not in order.

"Between 80 and 90 percent of the complaints against brokers which come to the department have to do with the improper handling of premium moneys. Hard times and economic pressure are the basic causes. Sometimes a broker uses one fund easily collected to carry along someone who is behind in payment. Oftener the broker anticipates collections by using trust funds personally that he expects easily to repay. When the practice is once started it is apt to be extended. Sooner or later it leads to disaster.

Problem in Law

"This precise tendency has been seen in the legal profession. The mingling of clients' moneys with legal funds was at the bottom of the majority of complaints against lawyers. As a result there grew up the rule now almost with the force of statute that clients' moneys and personal funds must be kept in separate accounts. Since this has become the accepted practice among lawyers, a marked improvement has been noted.

"I suggest that your association give attention to the desirability of the practice of separate bank accounts for your members. The moral overstrain which comes in time of great economic pressure is human. No one has greater sympathy than I for the man who slips. Nevertheless, the statutory requirement as to trustworthiness is mandatory. Public protection requires that a licensed broker shall be certified by the superintendent to be not only competent but trustworthy. Every broker who fails properly to account for premiums in-

Hope to Get a License Bill That Will Be Satisfactory

WANT ALL HANDS TO AGREE

Expected Conference Committees of Company and Agency Organizations Will Come to Terms

NEW YORK, Oct. 26.—It is generally expected that the Insurance Executives Association and the National Association of Insurance Agents and National Association of Casualty & Surety Agents may reach an accord in the near future on an agency license and qualification law to which the companies will subscribe. Some years ago the National Convention of Insurance Commissioners and the National Association of Insurance Agents drew up a model license law. The National Board did not sign the agreement but stated that so long as no bill was introduced in a legislature that did not contain added provisions it would not oppose the bill to which the two organizations subscribed.

In spite of this agreement state associations would introduce drastic qualification bills and the National Board would oppose them. This has caused much feeling throughout the country. At the annual convention of the National Convention of Insurance Agents, President Paul Haid of the Insurance Executives' Association declared that there should be some agreement reached as to this question and thus relieve the National Board of censure. All hands, in Mr. Haid's opinion, should come together and see if a bill cannot be recommended to which they will subscribe. President Haid is anxious to have this question settled. He thinks it can be done so in conference.

juries the entire profession. If you can lessen this injury by inaugurating a practice that will help brokers keep their accounts straight you will have done a worthwhile work.

"The blame is not entirely on the broker who errs. Unquestionably certain companies aggravate and encourage such action by sloppiness and carelessness of their accounts with brokers. If bank accounts were kept separate and if companies would hold brokers to a stricter accountability, an improvement would undoubtedly be seen.

"The leadership in any movement for improvement along the line suggested lies with the brokers' organizations. It was with this thought in mind that at your dinner last year it was suggested that your association's supervision of members' activities be strengthened. It was not merely that self-regulation rings well. It was rather that regulation by statute is burdensome and less effective than self-control."

Arthur Arnov, president of the association, urged members to do all they can to stamp out racketeering in compensation cases, saying that brokers should no longer take the stand that such affairs are no concern of theirs unless they cared to face the contingency, that higher compensation costs would drive industries to other states. Mr. Van Schaick also urged brokers to report to the department all evidences

J. V. Barry New President of the Insurance Institute

ANNUAL MEETING IS HELD

Former Commissioner and Company Official Succeeds C. R. Pitcher—Membership Gains Made

NEW YORK, Oct. 26.—J. Victor Barry, vice-president of the Life Extension Institute and retired third vice-president of the Metropolitan Life, was elected president of the Insurance Institute of America Tuesday at its annual meeting here. Mr. Barry is well known to insurance men in all lines. He was at one time insurance commissioner of Michigan and has a wide reputation as an after-dinner speaker. He succeeds C. R. Pitcher, former deputy manager of the Royal.

Other officers are: Vice-presidents—W. D. Winter, vice-president Atlantic Mutual, and L. E. Falls, vice-president American of Newark; secretary-treasurer, E. R. Hardy. Mr. Pitcher, P. M. Fell, assistant secretary Fire Underwriters Association of Philadelphia, and T. J. Grahame, vice-president Globe Indemnity, were elected to the board of governors.

Mr. Pitcher reported on the activities of the institute during the past year and spoke on the economic outlook. While not taking a pessimistic view, he made no definite predictions for the immediate future.

Mr. Hardy's report showed a gain of 146 associates for the institute, with a loss of 30 fellows. He referred to the unique contribution of Mr. Pitcher in visiting, at his own expense, the insurance societies in the eastern part of the country.

Mr. Hardy commented on the desirability of those having the degree of fellow or associate using those designations. It is a fact, he said, that younger members are becoming more and more appreciative of the value of their final certificate and this may lead to their using the degree to which they are entitled to a greater extent than they have done in the past.

of racketeering in compensation. Judge Albert Conway, former insurance superintendent of New York, was toastmaster, introducing the speakers and many others well known in the insurance department and in the business. The dinner attracted a large attendance, about 600 being present.

Special Inserts Cover Annual State Meetings

Two special inserts in this week's issue cover the annual meetings of the Illinois Association of Insurance Agents at Quincy and the Oklahoma Association of Insurers at Oklahoma City. Levering Cartwright reports the Illinois meeting beginning on page 29 and R. J. McGehean the Oklahoma convention, on page 41.

Inland Marine Is Being Stabilized

Commissions as a Rule Are Put on a 15 Percent Flat Basis

NO RATING MACHINERY

Gradually the Organization Is Ironing Out the Kinks in This Department of Insurance

NEW YORK, Oct. 26.—Marine underwriters here are at a loss to account for the action of the Connecticut Association of Insurance Agents at its annual meeting in adopting a resolution requesting the conference committee of the National association "to study and consider the recent reduction in commissions on inland marine policies, and to take such action as in the judgment of the said committee will be for the best interests of the local agents."

Presumably the action was the result of the change in the commission allowed on fine arts risks, which was made 15 percent flat when the Inland Marine Underwriters Association assumed jurisdiction over the line a short time ago. Previously a number of companies had allowed 20 percent on covers of such character. In all classes of business under control of the I. M. U. A. except parcel post and personal effects, which pay 20 percent commission, the maximum for agents is 15 percent, a figure which has been standard in inland marine lines for many years.

No Rating Machinery Existent

While controlled insofar as commissions are concerned, the rating of transportation risks has not yet been undertaken by the marine organization, each company being a law unto itself in determining tariffs for these covers. While the suggestion as to uniform ratings has been advanced from time to time, and the desirability of such a program is readily recognized, many practical problems in the way of making the idea effective exist, and to date no means for their solution has been evolved. In large part transportation covers are sought by individuals who have entered the trucking business with scant capital and limited executive ability, with the result that after two or three years effort they find themselves unable to carry on. They constitute undesirable risks, both from a physical and moral standpoint.

Jurisdiction Over Almost All Lines

With the assumption of control over fine arts covers a few weeks ago, the Inland Marine Underwriters Association now has jurisdiction over all forms of inland marine risks, with few exceptions, and these of very minor consequence.

Strict regulation of the inland marine business is of advantage to agents as

(CONTINUED ON PAGE 40)

Vacancy Permit Abused by Some Building and Loans

INSURERS ARE OBJECTING

Mortgage Institutions Request Permit in All Foreclosures Whether Vacancy Results or Not

Companies are distressed by the practice of many building and loan associations and banks having vacancy permits attached to policies on foreclosed property, whether there is an actual vacancy or not. The building and loan and banks apparently want to be protected against a possible vacancy in property taken over.

The companies object to this practice on the ground that attachment of the clause in this blanket fashion defeats its purpose. The primary purpose of the vacancy clause is to give the companies warning, so that an inspection may be made and determination reached of whether it is wise to stay on the risk.

Cancellation Threatened

The companies do not feel that they want to make an investigation every time they have request for attachment of a vacancy clause to see whether there is an actual vacancy. One company, at least, has told the building and loan associations, which have been adopting this course, that they will cancel off any risk on which there is a request for a vacancy permit unless the permit is requested only for actual vacancies.

Some building and loans have told the companies they would like to have a vacancy permit attached to all foreclosed property and would be willing to pay for it.

Most companies are vigilant in making inspections of vacant property, but they do not want to be fooled by the wolf, wolf cry. There has been a number of fires in vacant properties, some of them caused by marauders entering and using the cook stove.

Takes Over Adjusting Firm

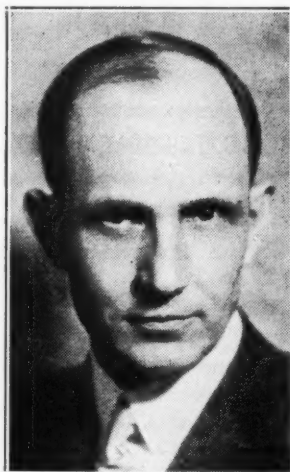
Fire Companies Adjustment Bureau Absorbs the Business of McBryde, Bourne & Kennedy

NEW ORLEANS, Oct. 26.—The Fire Companies Adjustment Bureau will take over McBryde, Bourne & Kennedy, which has branches at Meridian and Jackson, Miss., and Baton Rouge, Shreveport, Monroe and Alexandria, La. New Orleans has been the home office since the business was established about 30 years ago by the late Jules Pescay. The officers and personnel of the main and branch offices of the McBryde office will go into the organization of the Fire Companies' Adjustment bureau, which will take over the main and branch offices. Alfred D. McBryde will be manager of the Jackson office of the bureau and will be in charge of Mississippi, working out of division headquarters in Atlanta. Mr. Bourne will be the Louisiana manager, retaining present offices in the Maritime building and working out of division headquarters in Dallas. Harry P. Boyle, a member of the firm, who has been in charge of casualty and automobile adjustments in Louisiana, will be in charge of the same branches of the business in Texas, Oklahoma, Louisiana and Arkansas, with offices in Dallas.

Planting Union in South

E. W. Nourse, United States manager of the London Assurance and recently appointed to the same post with the Union Fire of Paris, is traveling the south and southwest arranging for strengthening the representation of the latter company in both fields.

Elected Chairman of the Executive Committee



JOSEPH B. THOMPSON
Missouri

Commissioner J. B. Thompson of Missouri, one of the most popular members of the National Convention of Insurance Commissioners, was elected chairman of the executive committee at the annual meeting.

Convention of Fire Chiefs in Goodwin's Home Town

At the annual convention of the International Association of Fire Chiefs at San Diego, Calif., R. P. Smith of Pittsburgh was elected president; S. R. Allen of Brookline, Mass., first vice-president; J. W. Towey, Newark, N. J., second vice-president; J. J. Mulcahy, Yonkers, N. Y., secretary. There were 250 delegates in attendance. The meeting next year will probably be held in Chicago. F. H. Wentworth, secretary National Fire Protection Association, was in attendance. Other insurance men at hand were Percy Goodwin, former president National Association of Insurance Agents; William Wallace, superintendent of agents Pacific National Fire; Attorney Charles Lum, National Board at San Francisco; H. E. Newell, engineer National Board, New York City; J. H. Schively, Insurance Federation, and J. W. Stevens, California state

Estimate of the Rural Fire Losses Is Revised Upwards

IN EXCESS OF 100 MILLION

Farm Committees of Fire Waste Council and N. F. P. A. Hold Joint Meeting in Chicago

The estimate of rural fire losses was revised at the annual joint meeting of the agricultural committee of the National Fire Waste Council and the farm fire protection committee of the National Fire Protection Association in Chicago. Heretofore the estimate had been "approximately \$100,000,000." Now it is "in excess of \$100,000,000." There was much sentiment in favor of making the estimate \$125,000,000, but the more conservative estimate was adopted.

Among the many subcommittee reports was that of the new arson committee of which I. D. Goss, farm manager for the America Fore companies, is chairman. Mr. Goss recommended offering a reward of \$100 for the arrest and conviction of arsonists, and the joint meeting received this recommendation subject to negotiation with the National Board. Mr. Goss also recommended that folders be prepared to be sold to insurance companies for distribution setting forth a discussion of the arson question.

In addition to Mr. Goss, the insurance men at the meeting included P. J. V. McKian of the Western Actuarial Bureau, Eugene Arms of the Mutual Fire Prevention Bureau, Secretary Harry P. Cooper of the National Association of Mutual Fire Insurance Companies, Secretary James Slocum of the Pioneer Reserve Mutual of Detroit and President W. E. Straub of the Farmers Mutual of Lincoln. Wallace Rogers is chairman of the agricultural committee and David J. Price of the farm fire protection committee.

Judge Robert Ewing Dead

Judge Robert Ewing of Nashville, father of Esmond Ewing, secretary of the southern department of the Travelers Fire, died October 23, following an operation. Mr. Ewing was at the bedside of his father, having left Hartford several days before death occurred.

fire marshal. Mr. Newell spoke before the meeting on "Regulating the Dry Cleaning Industry."

THE WEEK IN INSURANCE

J. V. Barry, former commissioner and Metropolitan Life official, elected president of Insurance Institute of America at annual meeting in New York. **Page 3**

Superintendent Van Schnick in address before General Brokers Association of New York, urges brokers to keep separate accounts for premiums and personal funds. **Page 3**

Attempt will be made to get an agency qualification and license bill agreed upon by the Insurance Executives Association and the agents' organizations. **Page 3**

W. A. Tarver, Texas insurance commissioner, was elected president of the National Convention of Insurance Commissioners at its annual meeting. **Page 5**

H. W. Hatch of New Britain is elected president of the Connecticut Association of Insurance Agents. **Page 5**

Inland Marine Underwriters Association is gradually stabilizing the lines over which it has control. **Page 5**

Government calls 48 witnesses in trial of Darby A. Day and J. B. McCutchan at Jefferson City, Mo. **Page 45**

Misapprehension as to coverage under standard workmen's compensation policy

in Illinois for occupational diseases may be cleared by appeal from appellate court's ruling in United States Casualty vs. Belleville Enameling & Stamping Company case. **Page 45**

Controversy as to premium financing is carried on by John E. Davis, president of the National Guarantee & Finance Co., and C. R. Arbaugh of the Insurance Premium Finance Company. **Page 8**

Chicago branch of Continental Casualty and R. W. Hyman & Co., general agency are combined with H. A. Glasgow in charge, he being appointed vice-president. **Page 45**

New public depository law in Wisconsin attached by Milwaukee county district attorney. **Page 46**

New York State self-insurers' experience as shown by labor commissioners' report indicates continued heavy claim payments despite reduced operations, retirement of 45 from plan. **Page 45**

Industrial Insurers Conference reflects all officers at its annual meeting in New Orleans. **Page 47**

Proposed change to man-hour basis of rating workmen's compensation proposed to companies some months ago appears to have little chance of adoption. **Page 47**

High Court Gives Net Receipts Tax Decision

Judgment against the 17 fire insurance companies, which did not compromise their net receipts tax in Cook county, has been ordered by the Illinois supreme court for 50 percent of the tax that was being sued for. The judgment aggregates about \$200,000.

Fred Silber, attorney for the companies, states that he is satisfied with the result and will seek a rehearing in an attempt to have the constitutional and other questions decided. Failing to get a hearing from the Illinois supreme court, Mr. Silber states he will appeal to the United States supreme court.

The question upon which Mr. Silber is eager to get a decision is whether the assessment of foreign companies being on the basis of losses not deducted, while assessments on domestic companies are on the basis of the losses, in effect, deducted, and the fact that casualty companies do not have to pay the tax, is constitutional.

Mr. Silber states that the case can now be carried further without danger of the companies eventually having to pay more than the proportion paid by those which entered into the compromise by paying 50 percent of what was sued for.

Reopened by Board of Review

The 17 companies filed returns for each of the five years 1923-1927 inclusive and the board of assessors and board of review had accepted and made assessments on the basis of the filed returns. In 1928, however, the board of review went back and attempted to make assessments for the years 1923-26 inclusive on so-called "omitted property." The supreme court took the position that the board of assessors having accepted returns for those four years, the board of review had no right to make further assessments for those years, since "omitted property" does not mean property which has been under-assessed but property which has been omitted from assessment entirely. The year 1927 was not involved, because in 1928, when the board of review attempted to make the back assessments, 1927 was the current year for returns.

Board Committee Confers

SAN FRANCISCO, Oct. 26.—H. F. Badger, secretary of the Pacific Board, and H. R. Jackson, A. J. Chapman, B. A. Sifford, H. L. Simpson and W. L. Wallace, comprising the Los Angeles committee of the board, are spending this week in Los Angeles conferring with the Los Angeles Insurance Exchange, Special Agents Association of Southern California and local agents' association. Mr. Badger recently returned from addressing the Utah Association of Insurance Agents at Salt Lake City and the Silver Bow association at Butte, and also conferring with agents and State officials at Helena and Great Falls, Mont.

Congratulations Premature

Messages congratulating United States Manager E. W. Nourse of the London Assurance, upon the attainment of another birthday, have been received from underwriters in all sections of the country with whom Mr. Nourse is a general favorite. The messages while sincere are a bit premature as Mr. Nourse was born in New York City, Nov. 22, 1883, instead of a month earlier as was first stated. Appointed assistant United States manager of the London in 1921, he assumed the complete management eight years later upon the retirement of J. H. Packard.

The Republic Insurance Shares Corporation of Oklahoma City has been incorporated by B. F. Biggers, L. A. Carr and George F. Short, the latter former attorney general.

Tarver of Texas Made President

National Convention of Insurance
Commissioners Considered
Important Problems

VALUATION QUESTION UP

State Officials Aroused Over Interlocking
Device in Life Insurance Com-
pany Circles

NEW OFFICERS ELECTED

President—William A. Tarver, Texas.
First Vice-President—Garfield W. Brown, Minnesota.
Second Vice-President—Dan C. Boney, North Carolina.
Secretary—Jess G. Read, Oklahoma.
Executive Committee—J. B. Thompson, Missouri, chairman; H. O. Fishback, Washington; S. A. Olsness, North Dakota; Theodore Thulemeyer, Wyoming; R. C. Clark, Vermont; A. D. Dulaney, Arkansas; J. C. Kidd, Indiana.
Next Meeting—Dec. 6-7, Pennsylvania hotel, New York City.

The National Convention of Insurance Commissioners at its annual meeting in Texas found itself confronted with two major problems, the first being the subject of the valuations to be used in financial statements and the second being the danger of interlocking devices in life insurance whereby two or more companies are joined together, thus imperiling all institutions in the group when trouble occurs. The valuation question is a vexing one and the commissioners evidently are not agreed as to just how far the organization should go in fixing a standard that is fair and that will give a true picture of a company's condition. Company officials and organization men are more or less at sea as to just what should be done.

Hope for Harmonious Report

Superintendent Van Schaick of New York, chairman of the valuations committee, has very definite ideas, he believing that stock market quotations either in boom or depression times do not give the picture as it should be. Evidently most of the commissioners

(CONTINUED ON PAGE 14)

Texas Meeting Side Lights

Commissioner George D. Riley of Mississippi was "discovered" at the June meeting of the National Convention of Insurance Commissioners in Chicago. He was introduced and told some of his characteristic southern Negro dialect stories. At the annual meeting prior to the reading of his paper he again indulged in some anecdotes which brought down the house. Therefore his reputation as a humorist was made. He is a character impersonator and his stories all have a very clever turn. Commissioner Riley is not mechanical in his story telling. He knows and loves the south. He is filled with sentiment and affection for its people. He was called on at the breakfast at Houston and the banquet at Galveston, where he again regaled his hearers with anecdotes, rich and delicious.

Vice-President E. T. Cairns of the Fireman's Fund, who is on his way east, was joined at the meeting by Assistant Secretary F. J. Agnew.

L. A. Harris, president of the American Automobile, was at the meeting this year.

The National Association of Insurance Agents established official headquarters at the hotel in Dallas.

Secretary C. F. Thomas of the Western Underwriters Association was right at home in Texas where he was state agent of the Royal for many years.

J. K. Shepherd of Little Rock was on hand to represent the American Association of Insurance General Agents. T. L. Lauve of Dallas, a prominent member of the organization, hobnobbed with the conventioners.

F. Robertson Jones, manager Association of Casualty & Surety Executives, was chosen at the badger fight pulled off at the country club to hold the chain that bound the badger in his barrel cage.

Morton L. Jones, president Kansas City Fire & Marine, was a convention visitor.

There was much football bantering when Commissioner Read of Oklahoma responded to the welcome. Texas beat Oklahoma 17 to 10 the Saturday before. Commissioner DuLaney of Arkansas, in his response, was jubilant because on the same day Arkansas beat Baylor, 20 to 6.

William Murdoch, former secretary of the Oklahoma Insurance board, who is now president of the American Medical

Insurance Company of Oklahoma City, was present. This company pays hospital and medical benefits. He is also organizing a holding or finance company to purchase small life companies that may desire to get out of the wet.

Tom L. McCullough of Dallas, president of the Praetorians, was chairman of the Dallas entertainment committee. He was a busy man, most efficient.

Commissioner Mitchell of California was accompanied by his son, Bernon, analyst of the California department.

A. E. Linnell, who recently retired as deputy in Massachusetts after 40 years service, was at the meeting, accompanied by his daughter.

The program was printed on cardboard of the shape of Texas.

There was much interest in the appearance of the celebrated girl athlete, Babe Didrikson of Dallas, at the dinner there. She is an employee of the Employers Casualty of Dallas. She was presented to many guests and had a grip like a vise when she shook hands.

The after dinner stunts, varied and variegated, jokes and tricks of many types, at the Dallas Country Club, were most ingenious.

Commissioner Walmsley of Louisiana, who was present, and Secretary of State Conway invited those going to New Orleans to take lunch together. Vice-President and Actuary Allison of the Pan American Life also was rounding up those visiting New Orleans. A number went in that direction and another group went to San Antonio to round out their Texas visit.

The M. K. & T. Railroad, on the special train from St. Louis to Dallas, had the dining car menu embellished with a cut of Commissioner Dunham of Connecticut, who was chairman of the transportation committee.

Commissioner Thompson of Missouri and former Commissioner Ray Yenter of Iowa went down the gulf following the meeting for some tarpon fishing.

General Manager Beha and Assistant Manager Leslie of the National Bureau of Casualty & Surety Underwriters, and F. Robertson Jones of the Association of Casualty & Surety Executives, took a trip to old Mexico, going down to Mexico City.

The luncheon Thursday at the home office of the American National Life was in charge of Vice-President Shearn Moody. Officials conducted the visitors

(CONTINUED ON PAGE 12)

H. W. Hatch Heads Connecticut Men

Branch Office Question and In-
land Marine Commission Cuts
Discussed

SAFETY SESSION HELD

Danger of Extension of Branches Into
Smaller Centers Is Emphasized
by Speakers

NEW OFFICERS ELECTED

President—H. W. Hatch, New Britain.
Vice-president—T. A. Sturges, New Haven.
Secretary-treasurer—Arthur Bradshaw, Bridgeport.
Honorary vice-presidents—W. C. North, Bridgeport; F. W. Brodie, Waterbury.
Regional vice-presidents—L. F. Whelan, Greenwich, Fairfield county; F. H. Williams, Jr., Hartford, Hartford county; E. B. Mallette, Torrington, Litchfield county; R. B. Brainard, Middletown, Middlesex county; J. R. Belcher, New Haven, New Haven county; H. L. Bailey, Jr., Groton, New London county; E. E. Penny, Stafford Springs, Tolland county; S. J. Sumner, Willimantic, Windham county.
National councillor—J. L. Case, Norwich.

By R. B. MITCHELL

The assertion that agents in towns and smaller cities are, or soon will be, in as grave danger from production branch office competition as agents in larger centers was put forward by three of the principal speakers at the annual meeting of the Connecticut Association of Insurance Agents at Waterbury. An equal amount of interest was aroused by discussion of overhead writing and the reduction of commissions on certain inland marine lines.

Urging a united front against branch office competition and overhead writing, C. L. Gandy, of Birmingham, Ala., newly elected president of the National Association of Insurance Agents, declared that agents in smaller communities cannot sit back, secure in the idea that branch office competition is a

(CONTINUED ON PAGE 10)

NEW OFFICERS OF THE INSURANCE COMMISSIONERS



WILLIAM A. TARVER, Texas
President



GARFIELD W. BROWN, Minnesota
First Vice-President



DAN C. BONEY, North Carolina
Second Vice-President



JESS G. READ, Oklahoma
Secretary

THE SATURDAY EVENING POST

WATCH YOUR FURS



THIS WINTER, when few owners can afford to lose them, furs will be more subject to thievery. Prudence insists that they be insured with a dependable company. An Alliance Fur Floater Policy covers theft, fire and all other risks while you are wearing them, shipping them or storing them. Responsible people will find the rates too low to deny themselves this protection.

Ask your
ALLIANCE

Written on the back of a... is a figure which largely... spending capacity of the... York. First, there is the... of assessed valuations... 060,764. That is design... parcel of New York res... to be sold by a willing... ing buyer. A part of... 750—represents propert... taxation. Even so, the... tal is a fabulous sum—\$1... Still, if you had that mu... wanted to buy New Yo... be doomed to disappoint... value would increase ten... fore you could find all the... if every real-estate agent... were in your employ... growth of value is a sort... that has enabled the city... solvent concern decide... Last year saw a shrink... of all sorts of commodi... erty, including real e... real estate of New Y... worth \$603,000,000 in... worth in 1930; and in... \$1,070,000,000 more if... normal increase since... excess of a billion doll... \$1,542,000,000 in 1932... question, I think, the g... producing organism on t... the effect of the elude of... which are paid for by tax... Let us see. The land on... Empire State Building... assessed at \$13,000,000 and th... on this land in 1931 was... The building itself was not... til this year, because it was... pleted until a date so late in... to give it tax exemption for... This year its owners will pay... sum into the city's revenue... various forms of protection an... other municipal services which... building be worth as much as the... at which it happened if it were... the subways which have been... with funds of the city? Would... worth anything if there were... adequate supply of water, if... were no sewers and if there w... it could not be worth the price... it would be in it if it were not a p... materials in it which it has... its foundation into. The great... of land values in New York... to be accounted for by innu... factors, but when you say "i... you have said it all. The a... of its people are responsible... values. The tunnels, driven... rivers, the bridges, firemen... teachers, health officers, s... street cleaner, all contribut... values.

Big Taxes on Big Bu... Largest tax paid by...

An entering wedge for
Alliance Agents among
good prospects for
larger coverages.



THE
ALLIANCE INSURANCE COMPANY
OF PHILADELPHIA

Head Office: 1600 Arch Street, Philadelphia

CHICAGO
209 W. Jackson Blvd.

SAN FRANCISCO
231 Sansome Street

NEWS OF THE COMPANIES

Organize Operating Company

Southern Insurance Securities Corporation Formed at Atlanta—to Form Three Companies

ATLANTA, Oct. 26.—The Southern Insurance Securities Corporation has been formed here to organize and operate the Fire Insurance Company of the South, Indemnity Insurance Company of the South and Life Insurance Company of the South. It has an authorized capital of \$1,000,000 of which \$50,000 has been subscribed.

George W. Powell, former resident vice-president American Mutual Liability, is president; B. G. West, Atlanta city comptroller, treasurer, and Rowland Hall, secretary. Offices are in the Atlanta National Bank building, in charge of Mr. Hall. In addition to Mr. Hall and Mr. Powell, the directors are: W. A. Sutton, Dr. D. Y. Sage, L. S. Costley, J. A. Wells, E. C. Shatterly, H. M. Smith, Carlisle Fraser, W. J. Hammond, Mercer Lee, J. R. Barfield and C. M. Boyer, branch manager Life of Virginia. Mr. Powell and Mr. Boyer are the only prominent insurance men in the organization. For the present the corporation will operate in Georgia only.

Report on Examination of Pearl Will Soon Be Out

ALBANY, Oct. 26.—The New York department report of examination of the Pearl Assurance of London has been forwarded to that company's New York office for formal approval which is expected without delay and will probably be made public later this week. This examination report, of June 30, 1932, will not show the \$1,000,000 additional deposit sent from the London office to the United States branch in August but the financial standing of the branch is found to be most satisfactory, nevertheless. This examination, made at the request of the Pearl management, is

expected to facilitate the entry of the company in other states where application for license is now pending or where entry is planned for the near future.

Roome Assistant Secretary

A. B. Roome has been elected assistant secretary of the Lincoln Fire. He has been attached for several months to the Chicago Fire & Marine department of the Lincoln Fire in Chicago. Formerly he was president of the Aero companies of the Barber & Baldwin organization, which are now being liquidated.

New Director Elected

Louis L. Hemingway, chairman of the Second National Bank of New Haven, has been elected a director of the Security of Connecticut, to succeed the late Burton Mansfield. Mr. Hemingway is a trustee of the New Haven Savings Bank and a director of the New Haven Water Company.

Directors of the Security have voted the regular quarterly dividend of 35 cents a share, payable Nov. 1 to stockholders of record Oct. 21.

Standard of New York

NEW YORK, Oct. 26.—Complete approval of the plan of the Standard of York for increasing its capital and net surplus has been given by the department. The added funds give the company \$1,500,000 capital and increases net surplus by \$750,000. J. A. Kelsey, president of the Standard, is likewise United States fire manager for the Tokio Marine & Fire. Another affiliated enterprise is the Meiji Fire of Japan.

Miscellaneous Company Notes

The Majestic of New York has withdrawn from New Jersey.

The Security of New Haven has declared its regular quarterly dividend of 35 cents a share payable Nov. 1.

A regular quarterly dividend of 25 cents per share, payable Nov. 1 to stockholders of record Oct. 20, has been declared by the Franklin Fire of Philadelphia, thus maintaining its \$1 annual dividend rate.

CHANGES IN THE FIELD

Mierendorf's Field Extended

Detroit F. & M. Nebraska Man to Handle Illinois as Well Succeeding Frank J. Frazier

The headquarters of L. Mierendorf, state agent of the Detroit Fire & Marine, have been transferred from Omaha to Peoria, Ill. He succeeds Frank J. Frazier, who has resigned as Illinois special agent, but Mr. Mierendorf will continue to handle the Nebraska affairs of his company, as well.

Mr. Mierendorf has been connected with the Detroit Fire & Marine for two years. Before that for many years he traveled for the Columbia Fire Underwriters in Nebraska.

Ralph Hukill

Ralph Hukill of Cincinnati, Ohio state agent for the Fireman's Fund group, has also taken over Kenton and Campbell counties in Kentucky, including Dayton, Covington, Newport and a number of towns on the south bank of the Ohio river opposite Cincinnati.

John L. Chatterton

John L. Chatterton has been appointed special agent for Illinois of the National Union Fire to assist State Agent Faber,

with headquarters at 175 West Jackson boulevard, Chicago.

Mr. Chatterton is a graduate of the University of Illinois and has acquired an insurance background through service with Iowa Inspection Bureau and subsequently as field man in Iowa and Nebraska and more recently in Illinois.

Pettengill at Old Post

C. H. Pettengill, Rocky Mountain field man for the St. Paul Fire & Marine, is now back in his old position at the home office as examiner. He was in the home office prior to being sent to that territory. It is stated that the vacancy will not be filled, at least for some time to come.

Special Agent Henderson Dead

R. C. Henderson, marine special agent of the Home of New York at Atlanta, Ga., died of pneumonia following an operation for appendicitis. He was 33 years of age. He was engaged in independent adjusting for casualty companies in Atlanta before joining the Home in 1925. He handled the marine business in the southeast.

The Insurance Executives Association will meet Thursday of next week in New York City.

AS SEEN FROM CHICAGO

CHEEVER WITH CORD TIRE

Clayton E. Cheever, well known in automobile insurance circles in Chicago, has been appointed to take charge of the Cord Tire Company's replacements for insurance companies. Mr. Cheever has been an automobile underwriter for 13 years, having been associated with several large western departments and one home office in Chicago.

ADDRESSED COAL DEALERS

A. J. Davis of Osborn & Lange of Chicago addressed the Chicago Coal Merchants Association, explaining especially workmen's compensation, public liability, automobile liability and property damage.

INSURANCE DIVISION FORMED

A number of well known Chicago insurance men have formed the insurance division of the independent "Horner for Governor" committee, headed by W. Herbert Stewart of Stewart, Keator, Kessberger & Lederer, general agency. The vice-chairmen are William Bartholomay, Jr., of Bartholomay-Darling; Peter Angsten, C. O. Reynolds, J. M. Sherman, Benjamin Auerbach of Herrick, Auerbach & Vastine; Fred Brummel, W. E. Dickey, Frank Schaefer, E. R. Hurd, H. N. Douglass, Chicago manager Union Indemnity, and E. M. Schoen, western manager Atlas. The secretary is Chester Flitcraft of the A. E. Patterson agency of the Penn Mutual, State Bank building. Most of these are Republicans. They have endorsed the candidacy of Judge Henry Horner, Democratic nominee.

SUSSEX MEN IN CHICAGO

A. H. F. Schumm, vice-president and general manager of the Sussex Fire, and J. A. Blainey, agency supervisor, are in Chicago this week. Mr. Schumm is en route home from the Pacific Coast. Mr. Blainey recently connecting with the company is building up an agency plant in the central west.

NOMINATING GROUP NAMED

M. D. Looney of the Hartford Fire has been appointed chairman of the nominating committee to select a slate of officers to be submitted at the annual meeting of the Western Loss Association Nov. 15. The other members are Leo Walsh of the London Assurance and W. P. Hagadorn of Fred S. James & Co. The committee was named by S. L. Nelson of the North America, who is president of the association.

DEPARTMENT MAN TO SPEAK

S. Phil Hutchison, who has charge of the brokerage license division of the Illinois insurance department, is scheduled to address the annual meeting of the Insurance Brokers Association of Chicago Oct. 28, to be held in the Chicago Board auditorium. Superintendent Hanson was invited but could not attend and assigned Mr. Hutchison. The brokers' directors will hold a luncheon at the Midland club with Mr. Hutchison as guest.

GREENBERG STRESSES COOPERATION

Closer cooperation between fire insurance examiners and adjusters was urged upon the Fire Insurance Examiners' Association of Chicago at the October meeting by H. M. Greenberg, general adjuster of the Western Adjustment. He said frequently the same company has gone on a "hot" assured in various locations when reference to the files of the Western Adjustment quickly would have disclosed information about the assured's previous bad loss experience. He recommended that examiners keep in close touch with the loss department and also that loss departments report peculiar losses to the examiners. All

this will serve in informing the underwriters about trends.

He noted the case of an Indian medicine man whose building was burned, killing his young daughter and a maid. The adjuster in view of the circumstances was completely unsuspecting of arson when a marshal informed him that the medicine man was being indicted for murder in connection with the fire. Mr. Greenberg said it developed that the man was not an Indian but an Assyrian from Texas, where he had a previous loss.

Mr. Greenberg commented on a mortgage clause which appeared recently containing a provision that in event of a fire loss it must be adjusted with the assured and mortgagee. He said this was a provision which might often cause difficulty as the mortgagee might be absent for a long period. It was the consensus that a risk involving a mortgage with such provision be avoided as much as possible. Mr. Greenberg's talk was voted one of the most absorbing ever given before the examiners and he was asked a number of questions regarding underwriting matters and relations between adjusters and examiners.

NEW LIFE MEMBERS

The following become life members of the Fire Underwriters' Association of the Northwest this year, and will be admitted as such at the annual meeting of the Society of Life Members at the Hotel La Salle, Chicago, Nov. 15: Mark Banta, Rhinelander, Wis.; J. W. Beck, Detroit; O. W. Chapin, Omaha; Frank Fassold, Oconomowoc, Wis.; P. O. Fish, Madison, Wis.; E. G. Frazier, Chicago; F. A. Gantert, Baltimore; Wm. B. Goodwin, Hartford, Conn.; L. W. Grupe, New York; Frank G. Herman, Indianapolis; C. W. Hutchinson, Milwaukee; Fred W. Koeckert, New York; G. Gordon Long, Richmond, Va.; R. E. Mackintosh, Des Moines; H. B. Matt, Columbus, O.; H. H. Miller, Omaha; Hermann Miller, Waterloo, Iowa; Stuart Morgan, Lansing, Mich.; Wilson C. Myers, Omaha; H. L. Newnan, Detroit; R. L. Nicholson, Milwaukee; Eugene G. O'Brien, Detroit; H. N. Odell, Chicago; H. D. Paine, Decorah, Ia.; Ralph Rawlings, Cleveland; E. F. Richards, Ann Arbor; Paul E. Rudd, Milwaukee; H. A. Sundberg, Minneapolis; Ralph H. Taylor, Columbus, O.; W. J. Tippery, Chicago; J. G. Updegraff, Topeka; C. A. Wehmeyer, Ann Arbor; M. V. Whitney, Ann Arbor; A. J. Wright, Milwaukee.

REHEARING IS GRANTED

The Illinois supreme court has granted a rehearing of the case involving \$25,000 attorneys' fees for the defunct Marquette National of Chicago. The supreme court originally delivered the opinion that the law firm of Schuyler, Ettelson & Weinfeld could not receive remuneration for legal work for the receiver for the Marquette National inasmuch as this service should be performed by the attorney general's office. H. U. Bailey was director of commerce at that time. The attorney general as well as the law firm asked for a rehearing.

R. W. Prodehl, chief accountant for the North America in the west, is entertaining a number of his coworkers at his home in Oak Park, Ill., Saturday of this week, the occasion being his completion of 38 years service with the North America.

G. Reynolds Carson Wed

LOUISVILLE, Oct. 26.—G. Reynolds Carson, state agent in Kentucky for the fleet of companies in Snyder Brothers General Agency here, was married Monday afternoon to Mrs. Edna K. Goff.

The A. B. C.

«»

At the recent annual meeting of the Insurance Advertising Conference, P. L. Thomson, president of the Audit Bureau of Circulations, said that only eight insurance publications are members of the A. B. C. There are altogether some 56 insurance papers published weekly, monthly and semi-monthly. Concerning this state of affairs in the insurance publishing field Mr. Thomson remarked:

"You thus have a fair basis of comparing these eight papers with each, but no satisfactory basis to compare any paper outside the bureau with any of the eight that are in it.

"Situations like that in other industries have been corrected. Offhand, it would seem to me that in the insurance field the solution of the problem is in your own hands".

We are 100 percent in agreement with Mr. Thomson.

Insurance companies, in contracting for advertising, should know just what they are going to get for their money. When they deal with A. B. C. papers they do know.

The National Underwriter was the first insurance paper to join the A. B. C. Today it is the only weekly insurance newspaper that is a member. It will continue its A. B. C. affiliation.

We do not say that we have "quality" circulation, nor do we generalize about it by assuring you that it is "adequate". We simply hand you an A. B. C. statement which shows you just where our circulation is and the extent of it and enables you to decide for yourself the value of what we have to offer. In brief, we enable you to buy advertising on the same business-like basis that you buy everything else.

(Number 23 of a series devoted to the merits of National Underwriter advertising)

«»

The National Underwriter

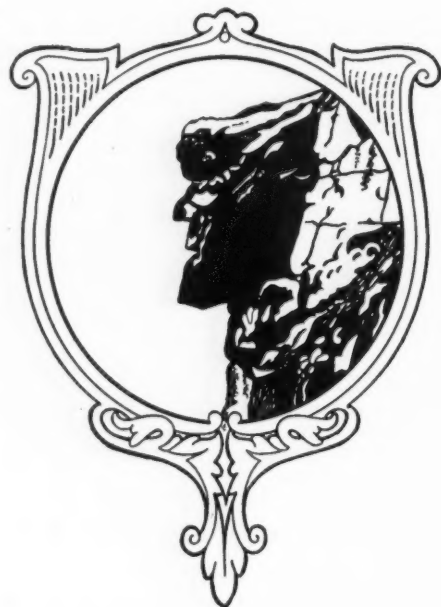
The leading weekly insurance newspaper

E. J. WOHLGEMUTH
President



C. M. CARTWRIGHT
Managing Editor

NEW HAMPSHIRE FIRE INSURANCE CO. MANCHESTER, N.H.



SIXTY-SECOND ANNUAL STATEMENT

January 1, 1932

Assets	
United States Bonds.....	\$ 3,240,750.00
State and Municipal Bonds and Stocks.....	11,947,166.38
Canadian Bonds, Government and Municipal.....	280,980.00
Foreign Bonds	111,750.00
Real Estate	362,750.00
Agents' Balances	810,628.25
Accounts Receivable	224,469.79
Cash in Banks.....	471,765.15
	\$17,450,259.57
Liabilities	
Capital Stock	\$ 3,000,000.00
Unearned Premium Reserve.....	4,974,184.57
Reserve for Losses.....	614,062.85
Reserve for Taxes and Other Liabilities.....	338,374.86
Reserve for Dividends Declared and Unpaid.....	150,487.94
Reserve for Market Fluctuations....	\$2,325,343.00
Surplus, Dec. 31, 1931, Values.....	6,047,806.35
	8,373,149.35
	\$17,450,259.57

NOTE: Bonds and Stocks at Insurance Commissioners Convention valuation.

AFFILIATED COMPANY

Granite State Fire Insurance Company
Portsmouth, N. H.

More Comment Is Offered in Finance Field Controversy

Controversy in the insurance finance field is not dying down. A recent letter by President Lilly of the First Banccredit Corporation to the insurance companies aroused a storm because of the intimation that some of the finance companies were unreliable. The contention of the First Banccredit that its rate was 6 percent, without financing charge, was also heavily attacked and Mr. Lilly in a later communication admitted that the rate is 7½ percent.

President John E. Davis of the National Guarantee & Finance Company of Columbus, O., has issued an open letter to the insurance companies in which he takes up the matter frankly. Mr. Davis says:

"From time to time there have been some questions raised as to the costs involved in financing. And there has been much 'pussy-footing' on this subject by some finance companies who have advertised and have attempted to cover up their charges by various subterfuges. We are of the opinion that there should be no quibbling on the subject. We believe that it is obvious to any intelligent person that the successful collection of small monthly payments involves a service cost for accounting, for following up delinquents, for clerical expense, etc., which cost cannot be absorbed by what is usually known as 'bank interest' rates.

Public Willing to Pay

"The cost of money is a thing separate and apart from the service mentioned above. Every industry using the facilities of installment financing realizes this, and the public is quite willing and anxious to pay reasonable fees for the advantages offered it. Our company therefore does not hesitate in publishing and distributing easily understandable rate charts so that there will be no chance of misunderstanding.

"We have given careful consideration to possible abuses which would react harmfully to the insurance companies because of pro rata cancellations on the part of the agent, and we have developed our plan so that the down payments collected by the agent and the monthly payments required under the contract are so adjusted that pro rata cancellations are not necessary to protect either the agent or ourselves.

"We realize that because of the laissez faire principle of our economic life some haphazard and unintelligent competition will spring up from time to time, and that there will be some abuses entering into the business. But we believe that these conditions will correct themselves, particularly if the insurance companies register a sympathetic attitude towards the more experienced and more stable finance companies now engaged in the field."

Arbaugh Points to Safeguards

In a letter to THE NATIONAL UNDERWRITER President C. R. Arbaugh of the Insurance Premium Finance Company of Cleveland also comments on one of the phases of the finance problem. He says:

"While alarming to hear of the alleged '300 insurance premium finance companies' in the field and the alleged unethical practices such as Mr. Goodwin expressed in his talk on the floor of the annual convention of the National Association of Insurance Agents at Philadelphia, we feel it is absurd to assume that the success or failure of insurance premium financing could be definitely determined by the success or failure of any one plan on the basis of another experiment for six months. We suggest that there is always bound to be a certain amount of what might well be termed 'bootleggers' in almost any business; and that the practices which

have apparently caused these criticisms and oppositional views might best be curbed by the full cooperation of carriers, bureaus and associations with finance companies whose plans and methods are sound, who will not indulge in the making of special arrangements conducive of unfair competition, and who are not in the business to obtain desirable lists of sectional expirations for sinister purposes.

Prompt Settlement Required

"It is our understanding that the situation which has prompted one of the finance companies to make another radical change in their plan—altering the terms of settlement with the agent from immediate payment to remittance of the balance after collection of the third monthly installment—is the fact that there have actually been very heavy losses due to agents financing premiums and not paying their companies. We realized this hazard two years ago and have maintained a strict policy of account current settlement 42 days after the end of the month in which policies are dated with the provision in our agreement with agent that payment may be made direct to the insurance company upon request so to do.

"We suggest that if all companies would enforce a strict rule of account current settlement 45 days after the end of the month in which policies are dated and would recommend by bulletin to all agents an immediate and absolute determination of the terms of payment desired by the assured, or necessary, and if more than 30 days, require the assured to finance, another forward step in the march of progress would be made."

Ruling on Examination Reports Made in Indiana

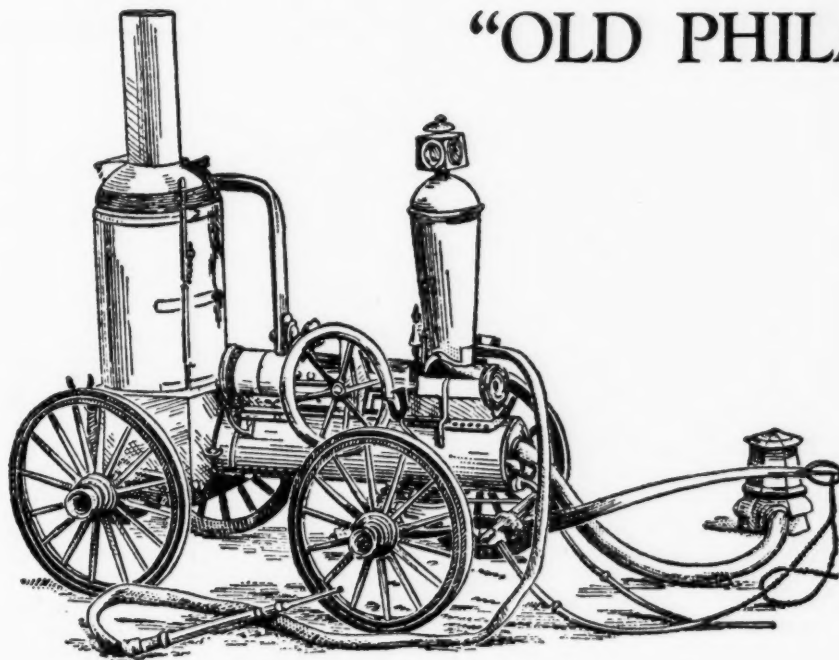
Attorney General Ogden of Indiana has ruled that the insurance commissioner is not required to file in his office as a public record a report of a special examination of a domestic fire company. It was pointed out that exceptions had been taken to the report by the company and no action had been taken on them except to withhold the report from the public files. A demand was made by a stockholder that the report be made public and a copy furnished. In ruling that the report need not be made a public record the attorney general pointed out that some of its conclusions were based on bare, unsworn oral statements of persons not connected with the company.

Open Auto Theft Bureau

TOPEKA, Oct. 26.—An automobile theft bureau will be opened Nov. 1 in connection with the Kansas motor vehicle department, to facilitate the recovery of stolen automobiles, and 24-hour service will be provided to enable speedy recovery.

Wanted to Purchase—General insurance business in city of 5,000 or more population located in good farming section in Michigan or Northern Ohio or Indiana. Price must be reasonable and agency well established and desirable. Strictly confidential. Might consider partnership in larger agency. Address W-88, The National Underwriter.

Wanted. First class fire insurance adjuster for work in Central States, must have at least five years actual field adjusting experience. State age, where employed past ten years, and salary expected. Give five names for reference. Fine opportunity for right man. Address W-89, The National Underwriter.



OLD No.1 ENGINE.

"OLD PHILADELPHIA"

the first steam fire-engine used in Philadelphia was built in 1857 at a cost of \$3500. At its first official trial it threw a horizontal stream of water 275 feet using steam pressure of 125 pounds which was raised from cold water in nine minutes. In August, 1858, the "Philadelphia" was sent to Boston for a steam fire-engine contest, where it won first prize against three competitors. This engine, designed by Joseph L. Parry, was paid for by a group of civic-minded contributors.

THE L. & L. & G. contributed substantially to the cost of "Old Philadelphia" as an expression of its interest in the development of fire-fighting equipment. Since the days of '49, when this company entered the United States, it has not only identified itself with local enterprise, but has encouraged and aided the American Agency System in every possible way. This Company was the first foreign fire insurance company to open an office in Philadelphia after the War of 1812. Fowler's History says, "prestige was given the agency method by this event." City by city, state by state, the L. & L. & G. record will be found similar to its record in Philadelphia—a pioneer of progress and a supporter of the agent.

THE LIVERPOOL AND LONDON AND GLOBE INSURANCE COMPANY LIMITED



150 WILLIAM STREET, NEW YORK CITY
PHILADELPHIA OFFICE: H. W. STEPHENSON, Mgr.,
INDEPENDENCE BUILDING, PHILADELPHIA, PA.

PROGRESS IS ON FOOT



— now as ever
for the alert agent



Will Wrightem
Field Correspondent

THE YORKSHIRE
INSURANCE CO. LTD.
LONDON & PROVINCIAL
MARINE & GENERAL INS. CO. LTD.
SEA BOARD
FIRE & MARINE AND THE
YORKSHIRE
INDEMNITY CO. OF N.Y.
90 JOHN STREET
NEW YORK CITY

NEW YORK UNDERWRITERS INSURANCE COMPANY

CAPITAL \$2,000,000

A. & J. H. STODDART, General Agents

100 William Street - - - New York City

FIRE - AUTOMOBILE - WINDSTORM
BUSINESS INTERRUPTION INDEMNITY

12

ATTRACTIVE PICTURES AND
SALES CAPTIONS
that help you sell more insurance

Send 10 cents today and get a sample of the NEW
1933 National Underwriter Insurance Calendar, A-1946
Insurance Exchange, Chicago.

12

H. W. Hatch Heads Connecticut Men

(CONTINUED FROM PAGE 5)

large-city problem. Mr. Gandy cited reports from towns of less than 15,000 as indications of the spread of the practice to the less populous communities.

"My problem in Alabama today may be yours in Connecticut tomorrow," he said earnestly, "and if you don't help me today I may not exist to help you tomorrow."

Mr. Gandy reiterated his statement made at earlier state association meetings, saying that unless these practices are improved, the National association proposes to call the roll and "tell you who are our friends and what companies are trying to carry water on both shoulders—which companies we can reward with our confidence and support."

Taking the situation in Bridgeport as an example of what might spread to smaller centers, W. C. North, the retiring president of the Connecticut body, gave facts and figures which were received with much interest.

"In Connecticut we are concerned only with casualty branch offices," Mr. North said. "Our principal concern is where and when the branch office ceases to be a service office. When a branch office furnishes desk room, telephone, clerical help, policy writers, postage and what not that go to make up the overhead of the legitimate agent maintaining his own office for the proper servicing of his clients, and pays that branch office habitué the same rate of commission, then it ceases to be a branch service office in any true sense of the word."

Bridgeport Situation

"To be specific, in Bridgeport there are four casualty branch offices for which there are 294 licensed agents. One hundred and forty-three of these are board members. Of course, many agencies represent several companies and some offices have several licensed individuals. The fact remains, however, that one branch office has between 15 and 20 agents domiciled therein operating without one cent of overhead. Furthermore, any individual that can control even a small volume of business can readily be licensed by one of these branch offices and take his toll from the legitimate local agent and it is being done almost daily.

"It is not the desire to deprive anyone of the right to enter the insurance business or to make a living. It is the unfair competition which hurts and unless it is curbed I dislike to contemplate the future. Acquisition cost is receiving a lot of consideration nowadays from companies, bureau officials and insurance commissioners. In this connection an examination of the cost of branch office operation might help materially in reaching a solution."

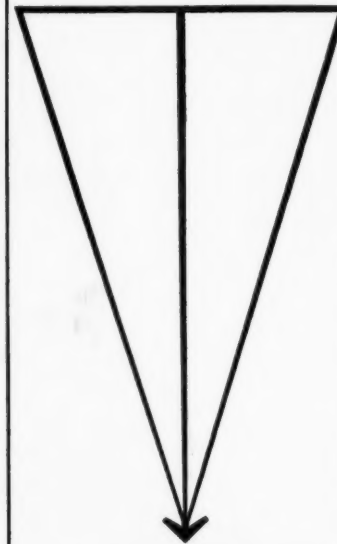
J. L. Case of Norwich, national councillor of the Connecticut association and former president of the National association, read a letter from Secretary W. H. Bennett of the National association pointing out the danger of branch office competition in smaller towns and urging that reports of specific cases be made to the national body through the national councillors in each state.

Commission Reduction

The reduction in commissions on certain inland marine lines was the subject of informal discussion after being introduced at the morning session by Paul Taylor of New Haven. The prevailing sentiment was that the particular lines on which commissions were cut are written in too small volume to be a matter of much importance to any individual office, but it was felt that it might be a straw in the wind, that if agents let the cut pass without protest it might be made an entering wedge for further cuts.

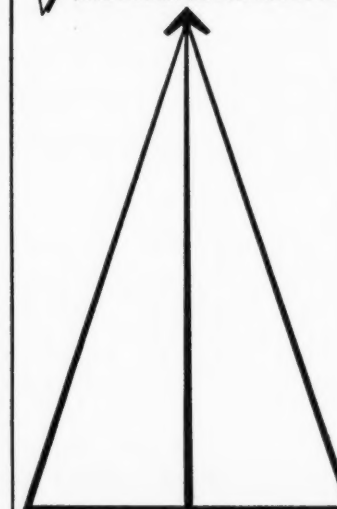
The subject was incorporated into a resolution stating that "our executive

A GOOD AGENCY COMPANY



**NATIONAL UNION
FIRE INSURANCE
COMPANY**

**SEAL
OF
INSURANCE PROTECTION**



**CONSERVATIVE
CONSCIENTIOUS
COOPERATIVE**



(Wide World Photo.)

They're Fighters

- From the kick-off to the closing gun they're fighting every minute—they play a hard, clean, determined game.
- The same aggressive methods are characteristic of the Eureka-Security Fire & Marine. For 68 years of successful operation this company has been guided by common-sense business principles. Claims are equitably and promptly paid. Agents receive friendly, personal cooperation from a Home Office that is interested in their futures.



LARGE ENOUGH
To write lines liberally

The Eureka-Security Fire and Marine Insurance Company

Established 1864

CINCINNATI, OHIO

SMALL ENOUGH
To give individual attention

YOUNG ENOUGH
To grow by giving service

OLD ENOUGH
To have profited by experience



What is insurance worth?

INSURANCE is worth "just what you can collect." After a loss your assured is not interested in the question "How much insurance is carried," but rather, "What amount of insurance will be collected?" Your assured's insurance policies do not tell him, hence, he does not know.

Actually; the amount he collects on a loss not only depends on adequate insurance, but also on how completely he can PROVE the amount of his loss.

A Lloyd-Thomas appraisal enables your assured to ACTUALLY PROVE his loss to the insurance adjuster. As a result the loss is settled satisfactorily in the minimum of time and you maintain the goodwill of your assured. An appraisal is also invaluable as a gauge in determining the total amount of insurance needed.

Answer your assured's question "What is insurance worth?" with a Lloyd-Thomas appraisal. Without obligation—complete information regarding our appraisal service will gladly be given any agent or assured.

What is an Appraisal?

It is a complete classified inventory of insurable property (except stock, merchandise and raw materials). Each item of property is valued at today's cost to replace new. The amount of accrued depreciation is determined and the sound insurable value is given.

Its Advantages

1st—It discovers insurable values that have long been written off the books through unscientific depreciation. 2nd—It gives the agent, the assured, and the companies value facts of property. 3rd—It makes for adequate insurance protection, for in nearly every instance it calls for additional insurance.

Your inquiry regarding appraisals places you under absolutely no obligation. Address your request to the Chicago office.

The Lloyd-Thomas Co.

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DES MOINES
CLEVELAND
INDIANAPOLIS
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MINNEAPOLIS
CINCINNATI



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BERLIN, GERMANY
LONDON, ENGLAND

MEMPHIS
DETROIT
MILWAUKEE
SEATTLE
LOS ANGELES
ST. LOUIS
DENVER



Automobile (All Covers)
Fire and Tornado
Public Liability Plate Glass

UNION INSURANCE COMPANY of INDIANA
Executive Office—Indianapolis, Ind.

A strong, progressive stock company, organized in 1849 and doing business in Indiana, Illinois, Oklahoma, Missouri and Texas.

Wide-awake agents, seeking a good connection are invited to address the executive office at Indianapolis.

Chicago Branch Office
A 1504 Insurance Exchange

committee shall request the conference committee of our National association to study and consider the recent reductions in inland marine policies and to take such action as in the judgment of the said committee will be to the best interests of the local agents."

The afternoon session was devoted to a safety symposium, a feature of which was the striking fire-prevention demonstration of T. Z. Franklin of the special hazards department of the Automobile of Hartford. These included actual cases of gasoline vapor flash-backs, electric wiring hazards, dust explosions, and spontaneous combustion.

W. P. Cavanaugh's Appeal

W. P. Cavanaugh, manager claim department National Bureau of Casualty & Surety Underwriters, urged members of the association to do all in their power to promote greater safety on the highways and to help curb the tendency toward excessive verdicts. Potential jurors should be made to realize, he said, that since it is the experience which determines the rates, it is not the money of a casualty company but that of their friends and neighbors that is being wasted in these questionable cases.

Mr. Cavanaugh told of the work of the claim department in rounding up fake accident rings and in getting a substantial number of the leaders put behind the bars.

Commissioner Stoeckel

Motor Vehicle Commissioner R. B. Stoeckel of Connecticut described the work of the state motor vehicle bureau, which has the reputation of being one of the most progressive in the country. Ninety-eight out of each 100 drivers who get into difficulties on the road are well-meaning individuals, only two being criminals. Psychological tests are given to determine how the erring individual can better his driving. If it is finally found that he is not capable of becoming a safe driver, his license is revoked for his own and others' safety.

The speakers at the dinner were Mr. Gandy and Congressman E. W. Goss of Waterbury. Mr. Goss urged a more active interest in politics for the sake of "better, cleaner, and more economic government."

Clock Presented to Gandy

Mr. Gandy's general subject was the obligations of agents and companies to one another and was essentially similar to his addresses earlier in the week before the Vermont and New Hampshire associations. At the conclusion of his address he was given a mantel clock, presented to him on behalf of the association by Mr. Case. Mr. North, who retired as president after serving two years, was given a traveling bag by the association, the presentation being made by F. W. Brodie of Waterbury.

G. L. Briggs Elected Head of Massachusetts Agents

WORCESTER, MASS., Oct. 26.—The annual meeting of the Massachusetts Association of Insurance Agents attracted an attendance of about 100. The program opened with a luncheon meeting.

T. Alfred Fleming, director of conservation of the National Board, spoke on "Fire Prevention in its Relation to Unemployment and Economic Relief," and James L. Case of Norwich, Conn., discussed "Automatic Cancellation Proposals up to Date." John W. Downs, counsel of the Insurance Federation of Massachusetts, gave his annual report on the result of legislative activities and Edwin J. Cole of Fall River, chairman of the National association finance committee, reported on national matters.

The following officers were elected: President, George L. Briggs, Amesbury; vice-president, Carroll K. Steele, Gloucester; secretary-treasurer, Fred A. Norton, Salem.

Sidelights of Meeting of the Commissioners

(CONTINUED FROM PAGE 5)

through the home office and then the buffet luncheon was served. The joint host was the Security National Fire of Galveston of which Shearn Moody is president. Theodore M. Webb, secretary and managing underwriter, was one of the hosts at the luncheon.

Assistant Secretary C. T. Hubbard of the Automobile of Hartford, who was making a tour of the state, appeared at one of the Galveston sessions with Special Agent H. E. Burkle of San Antonio.

Superintendent Van Schaeck of New York, who was scheduled to give an address in Oklahoma City before a joint luncheon of the chamber of commerce and the Oklahoma local agents who were in session there, flew from Galveston to Dallas and from there to Oklahoma City in order to keep his engagement.

Former Superintendent C. S. Younger of Ohio, who is now president of the American Insurance Union of Columbus, was summoned as a witness in Jefferson City, Mo., in the Darby Day and J. B. McCutchan case before the federal court there.

Commissioner Fishback of Washington was accompanied by his son, H. O. Fishback, Jr., who was formerly in the department, but who is now an official of the Northern Life of Seattle, he being assistant vice-president. He spent 15 years as chief examiner in the Washington department and was formerly vice-president, secretary and actuary of the United States Life, taking his new position in December last year.

The new Association of Insurance Department Examiners was represented by R. D. Chapman of Illinois, Lawrence Roubie of California and John Bienvenue, Louisiana. They presented their cause at the executive session at Dallas and asked for proper recognition.

Secretary Read of the convention reported receipts during the year of \$7,475 and disbursements \$4,814.

The visitors at some of the early functions were somewhat disconcerted when the Texans arose as the alma mater song of the University of Texas, "Eyes of Texas," was sung. They wondered if some new "Star Spangled Banner" was invented.

Assistant General Counsel J. L. Darrouzett of the American National Life proved himself to be a true raconteur of creole stories. He held forth at the Galveston banquet.

At the Galveston golf tournament, G. W. Carroll, in charge of the securities end of the Connecticut department, won the first prize and S. B. Lacey, secretary and vice-president of the Colorado Life, got the second.

President J. F. Seinsheimer and Vice-President and Secretary C. S. Kuhn of the American Indemnity of Galveston entertained the conventioners on the American Indemnity yacht, "American," to the great delectation of those on board.

While Life Insurance Commissioner Tarver is chairman in Texas and was first vice-president of the commissioners organization, thus receiving most public attention, yet Casualty Commissioner W. S. Pope and Fire Commissioner R. S. Monk contributed much to pleasure of the visitors. Both are modest and yet effective in their work and most hospitable.

The marine insurance interests were well represented by Attorney A. C. Charles of New York City; E. J. Perrin, Automobile of Hartford; H. T. Chester of Chubb & Sons, New York City, and C. P. Butler of the New York City office of the North America, who was formerly New York department deputy.

Senior Vice-President Mike M. Moss of the Union Indemnity arrived on the scene at Galveston, where he joined Vice-President L. F. Koppang, who had been with the crowd since the inception of the convention at Dallas.

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COMPANIES

Tarver of Texas Made President

(CONTINUED FROM PAGE 5)

are willing to travel the middle of the road. Superintendent Van Schaick hopes that his committee will be able to bring in a report at the December meeting to be held at the Pennsylvania hotel in New York City, Dec. 6-7 that will be adopted and followed. There has been much criticism as to the competitive angularities that arose over companies using Dec. 31 figures as against those using the convention figures. The com-

missioners evidently trust that these differences can be reconciled although a few states are still determined to get nearer the market values as of Dec. 31.

The commissioners recognize the danger of interrelated life insurance companies because usually a scheme of this kind means investment juggling. Evidently the state officials are determined to safeguard life insurance to better advantage. The special committee headed by Commissioner Brown of Minnesota will look into the subject carefully. It will report at the December meeting. Another subject that attracted attention outside of the assembly room was the safeguarding of life insurance funds

against their use by officials or directors of companies to advance some enterprise in which they are personally interested.

When the time for election of officers arose Commissioner Livingston, who was the president, called Second Vice-President Brown of Minnesota to the chair and he nominated Commissioner Tarver of Texas, who was first vice-president for the presidency. Commissioner Knott of Florida seconded the nomination. Commissioner Horswill of South Dakota nominated Commissioner Brown, who served as second vice-president last year, for first vice-president, being seconded by Deputy Gough of New Jersey. Commissioner Thompson of Missouri placed Commissioner Boney of North Carolina in nomination for second vice-president. Commissioner Fishback of Washington put in nomination Superintendent Hanson of Illinois for the position but Mr. Hanson withdrew his name. Commissioner Dunham of Connecticut nominated Commissioner Read for secretary, being seconded by Commissioner Bowles of Virginia. Commissioner DuLaney of Arkansas nominated Commissioner Thompson of Missouri for chairman of the executive committee. Commissioner Bowles put in nomination Superintendent Van Schaick of New York but the Empire State official withdrew his name.

Committee Is Enlarged

At the last annual meeting Commissioner Mitchell of California gave notice that he would present an amendment to the constitution providing for seven members of the executive committee instead of six so that there might always be one official from the Pacific Coast. This measure was adopted unanimously. Commissioner Averill nominated Commissioner Fishback of Washington. Deputy Gough then nominated the five hold-over commissioners, Thulemeyer of Wyoming, Van Schaick of New York, Olsness of North Dakota, Clark of Vermont and Hanson of Illinois. Commissioner Thompson of Missouri nominated Commissioner Dunham of Connecticut for a post on the executive committee but he withdrew his name. Superintendent Hanson of Illinois also withdrew his name from the list. Deputy Gough therefore nominated Commissioners Kidd of Indiana and DuLaney of Arkansas.

New Officials Presented

The retiring president, Commissioner Livingston, called the new president, Commissioner Tarver of Texas, to the chair, who made his bow and then asked Commissioner Dunham to escort Commissioner Brown, the new first vice-president, to the rostrum. Commissioner Thompson escorted the new second vice-president Commissioner Boney to the front. Commissioner Read of Oklahoma was reelected secretary and made a brief acknowledgment. Commissioner Thompson of Missouri, newly elected chairman of the executive committee, responded for himself and the other members. Superintendent Van Schaick in a well timed talk expressed the appreciation of the services of the retiring president. Commissioners Fishback and DuLaney also spoke of Commissioner Livingston's valuable contribution to the organization.

Commissioner Kidd, chairman of the committee on reserves other than life, stated that he together with Clark of

Vermont and Hanson of Illinois acted as a subcommittee to take up the suggestion made at the June meeting in Chicago that the unearned premium reserve might well be lessened as the present requirements were greater than were necessary. The reinsurance reserve comprises a fund that is adequate to reinsure all outstanding risks. The existing ratios, those advocating the lessening of the requirements contended, were greater than necessary and therefore called on for a larger sum to be held as a liability, which in these days might cut some figure. The committee, Mr. Kidd stated, did not dispute the soundness of the argument yet it felt that every safeguard should be used and that ample reserves should be put up at all times. Therefore the committee recommended that no change be made and this report was adopted by the convention.

At the close of the meeting Commissioner Tarver called to the front his associates, Commissioner Pope of the casualty division in Texas and Commissioner Mauk of the fire division together with Former Commissioner Cousins, who acted as general Texas chairman, Mrs. Tarver, Mrs. Pope and others present who were associated with the Texas department. They all stood in front of the platform and received rounds of applause.

Stop at Houston for Breakfast

The entire party went to the state fair grounds at Dallas Tuesday evening to see the sights, partake of a barbecue dinner and witness a rodeo promoted by Hoot Gibson, the cinema star. At midnight the special train left for Houston arriving at 8:15 a. m. A large committee of Houston insurance men met the train and escorted the party in buses to the Rice hotel where breakfast was served on the roof garden. There was a program of talks, J. W. Evans, prominent business man, director of the Seaboard Life and American General being introduced by Commissioner Tarver of Texas as master of ceremonies. Mayor Monteith gave the welcome. Commissioner Dunham of Connecticut responding. Talks were made by W. R. Safford, president Houston chamber of commerce, Burke Baker, president Seaboard Life and Commissioner Riley of Mississippi. Fred M. Burton, prominent Galveston agent, former president Texas Association of Insurance Agents and former executive committee member National Association of Insurance Agents, chairman of the Galveston committee, extended the welcome of his city at Houston and explained the program to be followed there.

Entertainment at Galveston

Galveston insurance men met the special train with their autos and took them or, as the southerners say, "carried them" to the Buccaneer hotel on the beach, owned by the American National Insurance Co. There was a jam at the hotel as another convention was just spending its last day there, the county judges and county commissioners. The visitors were disappointed that the naval authorities would not allow the crowd to go on the coast guard ship, "Saranac" in the Galveston harbor. The men were taken on the "Galvez," a little harbor steamer through the harbor and out to the gulf. There was much cat calling when one of the rum runners stationed at quarantine plied about the "Galvez" evidently suspecting forbidden spirits on board. When the lookout saw no signs of thirst quenching it ran back to its dock. The ladies were taken on three private yachts. Mrs. Shearn Moody, wife of the vice-president of the American National, took a party on her yacht as did Mrs. J. F. Seinsheimer, the wife of the president of the American Indemnity, on hers. Mrs. Seinsheimer entertained the ladies at tea at her home following the yachting trip.

In the evening a banquet was given with I. H. Kempner, president of the First Texas Prudential Life, as toastmaster. Talks were made by Commis-

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sioner Livingston of Michigan, Attorney Wright Morrow of Houston, Superintendent B. A. Dugal of Quebec, John Darrouzett, assistant general counsel American National Life, Commissioners Davis of District of Columbia, Tarver of Texas, Brown of Minnesota and Riley of Mississippi.

Chairman F. M. Burton did some effective work at all times. He was the announcer on the boat, pointing out objects of interest. He led the Scottish Rite chorus at the banquet and was looking after the guests at all hours.

Meeting at Galveston

At the Galveston business meeting Thursday, Secretary J. G. Read gave his report. He called attention to the resolution passed by the convention requiring commissioners to give detailed reports as to examinations made, who participated and amounts paid to each person engaged. He said 33 states responded with varied degrees of uniformity in the information given. Fifteen made no reply. Such information presented will be printed in the official proceedings.

When Superintendent Van Schaick of New York was introduced to give his paper on "Insurance Administration as a Public Service," he paid tribute to A. E. Linnell, deputy in the Massachusetts department who recently retired after service of over 40 years. Mr. Van Schaick said it is more difficult to be a deputy than a commissioner because the latter can delegate power to a deputy as he is the man who has sufficient knowledge to analyze a situation and reach conclusions as to what should be done. Mr. Van Schaick offered a resolution of congratulation and good wishes for Mr. Linnell which was adopted by rising vote. Mr. Linnell was present at the meeting.

Mr. Van Schaick in his paper dwelt on the responsibility of departments where disputes arise over claims and relationships with agents and policyholders. He stated commissioners are in a position to render excellent service when disputes arise. Common sense, he offered, should always be used. The commissioner can act as mediator with appropriateness.

Cleary's Election Was Announced

Commissioner H. J. Mortensen of Wisconsin before discussing the paper, announced the election of Vice-president M. J. Cleary of the Northwestern Mutual Life to the presidency of that company. Mr. Cleary was former Wisconsin commissioner and a member of the National Convention of Insurance Commissioners. The announcement met with enthusiasm at the meeting.

Mr. Mortensen stated that the principle of equity must prevail in the work of the commissioners in reaching decisions. He believes that frankness and sincerity should prevail when an official tries to settle a complaint. He referred to his department's intervention in the Beloit fire loss where the element of explosion entered and also the action of the Security Fire of Connecticut in transferring a case from the state to the federal court in violation of what he claimed was a pledge made to the department that on condition of its being licensed it would adjudicate disputes in the state courts. He declared this company thus enjoys a privilege which is denied Wisconsin companies. He defended his position in both these cases.

Commissioner Bowles of Virginia presented the resolutions of gratitude of the visitors to the Texas commissioners, to Dallas, Houston and Galveston for their hospitality.

Complaints of Accident Practices

Col. Dunham of Connecticut presented a motion that proper resolutions be presented on the death of Burton Mansfield, former Connecticut commissioner and former president of the organization. H. O. Fishback of Washington and Brown of Massachusetts were named on the committee with Col. Dunham.

Commissioner Fishback referred to the practices of some of the industrial

VIEWED FROM NEW YORK

By GEORGE A. WATSON

NAMES EXCHANGE COMMITTEE

President R. R. Martin of the New York Fire Insurance Exchange has appointed a new sub-committee to the advisory committee on violations, the first meeting being called for this week. The sub-committee replaces one appointed several weeks ago but which never functioned because two members were unable to serve. The chairman is A. H. Witthohn, vice-president Globe & Rutgers, and the members are Edward Milligan, president Phoenix of Hartford; W. H. Koop, president Great American; Wilfred Kurth, president of the Home; W. J. Reynolds, of Corroon

& Reynolds; J. O. Platt, vice-president North America, and J. L. Parsons, president United States Fire.

TORNADO ASSOCIATION MEETS

The annual meeting of the Eastern Tornado Insurance Association will be held Friday of this week in the executive committee room of the National Board. In addition to the election of officers, there are matters of special interest to the companies to be considered, according to the message of George F. Hayden, secretary of the association.

McCONNELL BACK FROM SCOTLAND

W. A. McConnell, United States manager of the Century of Scotland, is again at his desk in New York City after a six weeks' holiday in the British Isles; the first trip across the Atlantic since receiving his managerial appointment three years ago. While in Ireland, Mr. McConnell spoke at various gatherings of Rotary clubs, an activity with which he has long been interested. He spent some time in Edinburgh, visiting the head office of his company, and

going over underwriting and general business conditions on this side of the water with General Manager Tapscott. Since the recent admission of the Century to membership in the Western Underwriters Association its management has been steadily revising its agency appointments throughout the territory under the jurisdiction of the organization, taking up such connections as are not in conformity with the association rules. It has until July next to complete the work and will finish easily by that time.

* * *

NEW HONORS FOR STODDARD

Col. F. R. Stoddard of New York City, former superintendent of insurance in New York, and now counsel for several fire companies, is likewise governor of the Society of Mayflower Descendants, in the activities of which he has been prominent for a number of years.

* * *

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For greater convenience the Pilot Reinsurance offices have been removed from 34th St. to 70 Pine St., close to the New York City insurance center. The company, of which Carl Schreiner is president, handles reinsurance of fire lines.

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New Approach to Business

At the Philadelphia convention of the NATIONAL ASSOCIATION OF INSURANCE AGENTS, PERCY H. GOODWIN of San Diego expressed the view that a new mode for approach and one that is efficacious, if employed properly, is the talk that an agent can make before a business club or similar organization in which insurance direct is not the theme but some civic virtue or some movement that has to do with the human side. Mr. GOODWIN recommended, for example, that an insurance man could get up a very interesting talk on the duty of good citizens serving on juries. The very fact that we get so many prejudiced verdicts is due to the caliber of people sitting on juries. Men who are busy but who should serve, endeavor to get off as soon as they are summoned. Then again Mr. GOODWIN opined that a good stirring talk on prevention of accidents, especially automobile accidents, or the prevention of fire, gotten up, not in dry, statistical form but carrying a message of human interest will always attract attention. Fire and accident prevention mean the saving of life as well as property. There are some graphic features that can be encompassed in a talk.

Frequently insurance agents are called upon to speak before their business clubs, chambers of commerce or some other organization. If one is unaccustomed to public speaking and he is not

sure of himself he can get a standardized talk on the subject that he desires to present that will give him the fundamental points that should be brought out. Recently, for example, Mr. GOODWIN contributed an article on "The Policyholder Makes His Rate." One company has instructed its field men to commit to memory this article, intending, therefore, not only to impress them with its significance but to enable them to talk intelligently before any audience on the subject or to develop the matter effectively with an assured.

The public may get the idea that the insurance man is seeking to blow his own horn at all seasons for his own benefit. His audience may have its suspicions if he gives an out and out insurance talk. If, however, he branches out into some of the sidelines, which have a popular interest and are of high concern to the community, the impression is always favorable and the agent has identified himself most effectively.

Mr. GOODWIN contends that almost any agent can train himself to speak if he will give sufficient time to preparation and practice. He believes that local boards can do no better work than to promote public speaking among their members and make every possible member a bearer of a message to any organization where an audience can be secured.

Fear Is Retarding Progress

We will all agree that most of us today are overcome with fear. It is fear that is retarding progress. We are afraid to take a step forward, backward or sideways. Fear has gripped business and

commerce. Being in a state of mental panic we cannot think correctly. As one insurance philosopher puts it, "Fear is failure—failure of faith." It causes a drawing into one's shell.

PERSONAL SIDE OF BUSINESS

John W. Cook, vice-president of the F. D. Hirschberg & Co. agency, St. Louis, won considerable distinction at the annual dahlia and fall flower show conducted by the St. Louis Horticultural Society.

Some of Mr. Cook's flowers reach a height of 12 to 15 feet. With his entry he not only won the coveted blue ribbon but he was also awarded the golden ribbon for special mention. Rarely does the show award both a blue and a golden ribbon to the same entrant.

E. E. Soenke, secretary Security Fire of Davenport, is back on the firing line but still must pay visits to his doctor as a result of his injuries received a few weeks ago in an automobile accident.

Wolford N. Shane, Danville, Ill., who is associated with his father, Charles F. Shane, in the operation of the Wolford Insurance Agency, was married last week. He is spending his honeymoon in the south.

Freeman Wilson of Columbus, Ohio state agent of the Rhode Island, was severely injured in an automobile accident in northern Ohio a few days ago.

F. R. Bigelow, president of the St. Paul Fire & Marine, and Mrs. Virginia Crosby of St. Louis were married Oct. 24 in St. Louis. After a wedding trip Mr. and Mrs. Bigelow will make their home in St. Paul.

Thomas S. Prescott, Virginia special agent for the Hartford Fire, has regained his throne as ruler of the Richmond links. He recaptured the city championship last week in the annual tournament. He first won the title several years ago. He learned the rudiments of the game in Atlanta, his home town, where he was a "buddy" of Bobby Jones.

Seventy persons paid tribute to S. W. Atkinson, veteran Kansas field man and state agent of the Connecticut and Phoenix, at his 69th birthday dinner Friday evening at Lawrence. Frank L. Britton, Democratic candidate for insurance commissioner and a former Kansas field man, was toastmaster and presented a large dictionary to Mr. Atkinson on behalf of the Blue Goose. Glenn E. Charlton of the Charlton Insurance Agency, Lawrence, presented him with a wrist watch on behalf of the employees of the agency. Mr. Atkinson has been with the Connecticut for 36 years and is today one of the most active field men in the state.

M. J. Cleary, vice-president of the Northwestern Mutual Life and former Wisconsin insurance commissioner, has been elected president of the Northwestern Mutual. He went to the Northwestern Mutual in April, 1919. He is a native of Wisconsin, having been born at Moscow, Iowa county, in 1877. He was formerly a local agent at Blanchardville, Wis.

Many messages of congratulations are being received by Frank J. Schmidt, president of the Woodworth-Hawley Company agency, Buffalo, N. Y., who is now celebrating his 50th anniversary of service with that company. Mr. Schmidt joined the company's staff at the age of 12 as a messenger, and has been connected with it ever since. He has served as alderman, assessor and commissioner of elections. He managed the Roosevelt campaign for governor in Erie county in 1930.

F. W. Sargent, president of the New Hampshire Fire, is celebrating the 50th anniversary of his association with the company, the service of which he entered as a boy in 1882. He has been

its chief executive since 1905, having meantime traveled through the various grades to that high post. Under his administration the New Hampshire has made steady and substantial progress, its assets advancing from \$4,000,000 to \$17,000,000 and its net surplus from \$1,000,000 to more than \$6,000,000.

E. S. Inglis, vice-president of Corroon & Reynolds, who has been on the Pacific Coast, has left for New York after taking care of details in connection with the Public Fire reinsurance. He plans to stop off at San Antonio and Houston on his way east.

Following attendance at the commissioners' convention in Texas last week, J. R. Dumont, manager of the Interstate Underwriters Board, turned north, planning to visit Chicago and a number of other centers before returning to New York, where he will likely arrive the latter part of the month.

Morton T. Jones, president of the Kansas City Fire & Marine Insurance Company, was taken to a Kansas City hospital for observation after becoming ill on the train returning from the commissioners' meeting at Galveston. He is suffering from a stomach ailment, but is reported much improved.

Commissioner Howard P. Dunham of Connecticut and Mrs. Dunham and several friends celebrated their silver wedding anniversary in New Orleans while en route home from the Commissioners' meeting in Texas. In the party were Messrs Wyman and Carroll of Norwich, Conn.; C. V. S. Branch, vice-president Sun Life, Toronto; Mr. and Mrs. David R. Woodhouse, Wethersfield, Conn., and Mrs. E. J. Robbins, mother of Mrs. Dunham.

A. E. Smoll, president of the Wichita (Kan.) Insurors, has gone on his annual hunting expedition to New Mexico and expects to bring back several deer. For a number of years Mr. Smoll has given the Wichita Board a venison dinner from game killed in the Sacramento mountains near Alamogordo, N. M.

Frank M. Phipps, president of the Wallace-Phipps general agency, San Francisco, was painfully injured last week when he was thrown to the street as the result of the collision of two automobiles. Mr. Phipps was crossing the street on his way home from his office when the accident occurred. He will be in the hospital for several weeks.

G. C. Hobson, Fresno district manager of the National Automobile Club, who has been confined to a San Francisco hospital for several weeks, has returned to his home and is expected to resume his duties within the next two weeks.

C. A. Colvin, Pacific Coast manager for the Providence Washington, Anchor, Boston and Old Colony, has prepared some unique advertising—the Pacific Coast football schedule for the current season with 1931 scores. Above the calendar is a drawing of his son, Don Colvin, who plays end on the Stanford team. Facing Don Colvin is a drawing of "Dusty" Allen and there is an inscription reading, "With only eight seconds left to play, Stanford—U. C. L. A. tied 6-6, 'Dusty' Allen (Stanford) ran back to 45 yard line and passed to Don Colvin in U. C. L. A. end zone to score winning touchdown just three seconds before end of game! Final score: Stanford 12—U. C. L. A. 6. Nov. 1, 1931."

The report of this dramatic episode was originally published in the San Francisco "Chronicle" in the column, "Miracles of Sport," by Robert Edgren.

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THE FIDELITY AND CASUALTY COMPANY

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FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

New Clause Is Scrutinized

Ohio Agents Discuss Effects of "Other Insurance Permit Number 2"—
Doubt Legal Force

Ohio agents are discussing the exact effects of the "Other Insurance Permit Number 2." This permit states that the entire amount of insurance, including that in the policy to which the permit is attached, "shall in no case be in excess of the following stipulated amounts." Then the agent is expected to fill in the various items with the total maximum amount to be permitted.

Most agents and a number of companies which have been consulted, question whether this permit form has any real legal effect on the policy. There is no statement that the policy is void if the insurance exceeds the amount stipulated nor is there any penalty provided if the permit amount is exceeded. Some agents have stated that to be on the safe side, they have filled out the items with an amount large enough so that there will be no danger to the assured. The permit is evidently designed to act as a curb to the moral hazard and possibly by casting a doubt in the minds of the insured about the validity of gross over-insurance, this result is achieved. Agents criticize the permit on the ground that it is not sufficiently clear cut and that there is diversity of opinion as to the effect of the clause.

Shaw Speaks to Cleveland Board

CLEVELAND, Oct. 26.—J. M. Shaw, Cleveland manager of the Ohio Inspection Bureau, talked before the Insurance Board of Cleveland at its first meeting of the fall season today. Mr. Shaw explained the new forms and rules and the meeting was later thrown open to discussion. A short business session followed when amendments to the by-laws were considered.

Blainey Working in Ohio

James A. Blainey of Newark, N. J., agency supervisor of the Sussex Fire, will spend the next few weeks in Ohio looking over the field and strengthening its organization in that state. The Sussex has no field man in Ohio at present.

Charleston Gets Some Relief

In a report to Mayor DeVan of Charleston, W. Va., by the National Fire

OHIO FIELD MAN WANTED

One well acquainted with Ohio Agents and Automobile Insurance, at present employed; otherwise application should be considered.

AMERICAN INDEMNITY CO.
P. O. Box 680

Galveston

Texas

Protection Association last December the engineers recommended that the water company be asked to reduce the exorbitant charges made for private fire service connections. Twenty-nine local sprinklered property owners acting jointly have secured without litigation a reduction amounting to 36 2/3 percent in the charges and the privilege of asking the water company for further reduction when times improve. While still excessive, the engineers say that this represents some relief for present and prospective sprinklered property owners.

Heavy Loss in Cleveland

Cleveland suffered one of its largest fires of the year Sunday when the Leopold Furniture Company store at Lorain avenue and Fulton road was burned to the ground with a loss of \$250,000. Rumors of incendiarism were being followed up by the arson squad of the Cleveland fire department.

Kepler Named by Gulf

The Gulf of Dallas has appointed C. J. Kepler general agent in Ohio. Its running mate, the Atlantic of Dallas, will also become a part of the Kepler agency. Mr. Kepler was formerly chief underwriter for the Industrial of Akron, O.

Patterson Is Legion Commander

J. V. Patterson of Findlay, O., has been elected commander of the Ameri-

can Legion for his state. He is a prominent local agent in Findlay.

Talks on Coal Situation

George K. Smith, president of the Sunday Creek Coal Company, discussed the "Coal Mining Situation in Ohio" at a luncheon of the Ohio Blue Goose in Columbus. There has been considerable violence in the Ohio coal mining field in the last few years and the talk was one of much interest from an underwriting standpoint.

Probe Charleston Fires

Several recent fires in Charleston, W. Va., believed by Fire Chief McLane to have been of incendiary origin, are under investigation by the chief, H. T. Welcher, investigator for the National Board, and Carlisle Raper, assistant state fire marshal.

Norwood, O., Inspected

At the inspection at Norwood, O., by the Ohio Fire Prevention Association, 212 inspections were made, 155 criticisms were offered and 497 recommendations were submitted. The next inspection will be at Canton Nov. 15-16.

Ohio Notes

Charles W. Shafer has opened a local agency at Dolestown, O.

Jay C. Welch, manager of the casualty department in the A. W. Shell Agency in Cincinnati, was elected commander of the Robert E. Bentley post of the American Legion, one of the largest American Legion posts in the United States, having over 1,000 members.

CENTRAL WESTERN STATES

Plan Safety Drive in Detroit

Agents Association Decides to Wage City-Wide Campaign to Check Automobile Accident Toll

DETROIT, Oct. 26.—The Detroit Association of Insurance Agents decided at its October meeting to launch a city-wide drive for traffic safety, following the presentation of the report of the special safety committee appointed last month to investigate the advisability of undertaking such a program. The report was prepared by A. L. Lent, Travelers. Other members of the special committee were Dean W. Howland, chairman, and Jerome L. Poorman, of the Travelers.

The idea of the safety campaign was presented to the association last month by Maxwell Halsey, traffic engineer National Bureau of Casualty & Surety Underwriters. The special committee was immediately appointed to look into it. In his report Mr. Lent brought out the increasing number of automobile acci-

dents on Detroit streets, causing an unfavorable loss ratio to auto carriers as well as resulting in much needless suffering.

Check Child Fatalities

Mr. Lent contacted with all of the other agencies in the city doing similar work. He pointed out that through the safety educational work of the police, the grade schools fatalities among children in automobile accidents have greatly decreased. In 1921, 49 percent of the fatalities on Detroit streets were children, while in 1931 the figure had been reduced to 9 percent.

The report recommended that adult safety education be attempted, more care be exercised by the police department in issuing automobile drivers licenses and that the accident investigation squad of the police department, which has been in the habit of releasing drivers involved in accidents unless the consequences are serious, make some effort to instill in the minds of persons involved in accidents of the possible serious consequences of reckless driving.

Carl W. Behrens, economist of the Union Guardian Trust Company, was the speaker of the evening, talking on "The Business Outlook."

Boost Orr for Cowan Post

LANSING, MICH., Oct. 26.—In connection with the successor to the late Senator Alex Cowan of Port Huron as chairman of the Michigan senate insurance committee, insurance men hope that the post may go to Senator Herbert P. Orr of Caro. He is a former deputy insurance commissioner, has served one term on the committee with an excellent record, and has had much experience as counsel for insurance organizations. He

New Indiana Chief



FRED H. JANNASCH

Fred H. Jannasch, newly elected president of the Indiana Association of Insurance Agents, is manager of the insurance department of the Commercial Securities Company of Gary, Ind. He has been one of the prominent figures in the local agency field there for many years and has been active in the Indiana association.

is a brother of Robert K. Orr, president of the Wolverine of Lansing.

Inspect Alma and St. Louis

Alma and St. Louis will be inspected Nov. 9 by the Michigan Fire Prevention Association. H. K. Rogers, Western Actuarial Bureau, will address business men of the two towns at a luncheon and will put on his "fire clown" act in the schools. Arrangements are being made by Norman Spencer, Pennsylvania Fire, and T. M. Nyholm, National Fire, both of Lansing.

Albion Cuts School Cover

ALBION, MICH., Oct. 26.—Following the example of many of the larger cities, the Albion board of education has just decided to cut the fire coverage on its four local school buildings \$12,000 annually for the next five years, reducing the coverage from \$452,400 to \$392,000. The buildings have been appraised at \$496,407.

Evansville Prevention Work

The fire prevention committee of the Evansville, Ind., chamber of commerce conducted an aggressive campaign during fire prevention week. The committee consists of Harry Frazier, Fire Chief Sydney Carter, Carl Duddenhausen, C. A. Ruff, Malcolm Baird, A. G. Schlamp, Carl Shrode, W. V. Mangrum, Ralph McReynolds, Mac Howe, J. W. Hauk and Ed. Fabian.

Mutual Executive Dies

Edwin Farmer, 70, president since its organization in 1915 of the Citizens Mutual Automobile of Howell, Mich., died there last week. He had been ill for several weeks.

Meeting Place Changed

The Detroit members of the Michigan Blue Goose who have been holding their Monday luncheons at Holdfelts Cafe

SALARIED POSITION OPEN

A Cincinnati General Agency wants a man who can produce premiums. Must have experience and ambition. A volume now controlled would be interesting but not necessary. In reply state age, qualifications and salary expected. Send photograph if possible. Address letters to **W-87, The National Underwriter.**

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NEAL BASSETT, President
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 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d Vice Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

CAPITAL

\$ 9,397,690.00

Organized 1855

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 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

THE GIRARD FIRE AND MARINE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1853

NEAL BASSETT, President
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 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

\$ 600,000.00

Organized 1854

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$ 1,000,000.00

Organized 1866

NEAL BASSETT, President
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 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

SUPERIOR FIRE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1871

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 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

\$ 1,000,000.00

Organized 1870

CHARLES L. JACKMAN, President
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 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

THE CAPITAL FIRE INSURANCE COMPANY

\$ 300,000.00

Organized 1886

CHARLES L. JACKMAN, President
 NEAL BASSETT, Vice-President

UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.

\$ 100,000.00

Organized 1905

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.

MILWAUKEE MECHANICS' INSURANCE COMPANY

\$ 2,000,000.00

Organized 1852

NEAL BASSETT, Chairman of Board
 J. SCOFIELD ROWE, Vice Chairman
 H. S. LANDERS, President J. C. HEYER, Vice President WINANT VAN WINKLE, Vice President JOHN R. COONEY, Vice President
 E. G. POTTER, 2d Vice Pres. E. R. HUNT, 3rd Vice Pres. S. K. McCLURE, 3d Vice Pres. T. A. SMITH, Jr., 3rd Vice Pres. F. J. ROAN, 3rd Vice Pres.

THE METROPOLITAN CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1874

NEAL BASSETT, Chairman of Board
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COMMERCIAL CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1909

WESTERN DEPARTMENT
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 H. R. M. SMITH, Vice President
 JAMES SMITH, Secretary

CANADIAN DEPARTMENT
 461-467 Bay St., Toronto, Canada
 MASSIE & RENWICK, Ltd., Managers

EASTERN DEPARTMENT
 10 Park Place
 NEWARK, NEW JERSEY

PACIFIC DEPARTMENT
 220 Bush Street,
 San Francisco, California
 W. W. & E. G. POTTER, 2nd Vice Presidents
 FRED W. SULLIVAN, Secretary
SOUTH-WESTERN DEPARTMENT
 912 Commerce St., Dallas, Texas
 OLIN BROOKS, 2d Vice President
 BEN LEE BOYNTON, Res. Vice President
 A. C. MEEKER, Secretary

LOYAL TO PRINCIPLE -- TO LOYAL AGENTS, LOYAL

have changed to the Barlum Hotel, as Holdfelts is bankrupt. This is the second concern that has failed, which would indicate that feeding ganders is not a paying proposition.

Michigan Notes

Clark and James McGregor have formed the **McGregor Brothers** agency to take over the Hugh McLaughlin

agency in Iron Mountain, Mich., established in 1884. Mr. McLaughlin will retire.

J. F. Martin and **David Martin** have opened a new agency in the Genesee Bank building, Flint, Mich.

J. P. Kittel, who has represented the Manufacturers Life for ten years in Lansing, Mich., and **Harold Wyman** of Alma, Mich., have been appointed general agents for the Manufacturers in Alma and will also write fire and casualty.

STATES OF THE NORTHWEST

Milwaukee Council Planned

Fire, Casualty and Surety Groups Cooperate in Formation of New Organization

MILWAUKEE, Oct. 26.—At a meeting of the combined committees of the Milwaukee Board of Fire Underwriters, the Surety Underwriters Association and the Casualty Underwriters Association of Milwaukee, J. G. Grundle, executive secretary of the board, was delegated to draft tentative by-laws for the organization of a council which will control

under a working agreement agents, brokers and solicitors in the casualty field in Milwaukee county and the casualty and surety business in general, along ethical lines. It is planned to model the agreement along the lines on which the Milwaukee Board now operates with outstanding success. Fire companies have cooperated with the Milwaukee Board in setting the county situation on a high plane, and the board in turn is now cooperating with the casualty and the surety associations.

Within 15 days a general meeting of the agents representing the different lines of insurance will be called to consider tentative by-laws and take further

action on the proposed council. F. J. Lewis of the George H. Russell Co. is general chairman of the combined committee. The Milwaukee Board was represented by President Ben A. Lehnberg, Mr. Lewis and M. Weil. The Casualty Association representatives were Otto Gaedke of the Gaedke-Miller Agency, Frederick Kasten of Blatz-Kasten & Co. and T. J. Johnson of R. R. Elsner Co., secretary of the casualty organization. Those representing the Surety Underwriters were A. A. Miller of the Gaedke-Miller Agency and W. M. Wolff, resident vice-president Fidelity & Deposit.

State Fire Fund Discussed

Insurers' League of Wisconsin in Annual Session Urges War to Abolish Plan

The state fire fund of Wisconsin was extensively discussed at the annual meeting of the Insurers' League of Wisconsin, which was held in Oshkosh. There were members present from Oshkosh, Racine, Rhinelander, Edgerton, Eau Claire, Sheboygan, Appleton, Janesville, Superior, Manitowoc, Kenosha, Beloit, LaCrosse, Marshfield and Waukesha. The organization is sometimes referred to as the "Holy Twenty."

The Insurers' League takes the position that the state of Wisconsin should not be permitted to compete with private enterprise and the state fund should be abolished. The league feels that the fund is assuming liability which could not be met in the event of catastrophe. An investigation should be demanded, according to the league, by the Wisconsin Association of Insurance Agents, Insurance Federation of Wisconsin, the field clubs, chambers of commerce, Taxpayers League, Kiwanis and Rotary clubs. The league states that the tornado liability especially that is assumed by the fund is excessive.

The investigation, according to the Insurers' League, should be directed at the investments of the fund to determine whether the money is invested in hospital or administration buildings and

whether, when the loans are due, the buildings are transferred to the fund as an asset.

All officers were reelected, headed by C. E. Estabrook, president; W. H. Carpenter, vice-president, and W. V. Jackson of Eau Claire, secretary. The executive committee consists of the officers and Henry Johnson of Edgerton.

Hold Monthly Luncheons

Bimonthly luncheons will be held by the Minnesota Blue Goose at Minneapolis, the first meeting having been Oct. 24. Paul Enck, a delegate to the grand nest meeting in Chicago, spoke on the Blue Goose life insurance program.

Madison Board's Dinner Meeting

MADISON, WIS., Oct. 26.—The Madison Board will hold a dinner meeting Nov. 1. A special program is being arranged by J. M. O'Malley, president, and C. W. Schar, secretary.

Hail Department Manager Dies

Martin S. Hagen, manager of the North Dakota state hail insurance department since 1920, died last week at a sanitarium at Stevens Point, Wis. Suffering from tuberculosis for many years, Mr. Hagen has spent the last year and a half in the sanitarium. He first joined the hail department as an adjuster, becoming manager the following year. He had had entire supervision of the department ever since S. A. Olsness has been insurance commissioner.

Helm Hits Day-Labor Plan

MINNEAPOLIS, Oct. 26.—The day-labor system of construction projects in Minneapolis is causing a loss of \$100,000 a year in premiums to insurance men, Clyde B. Helm, secretary of the Insurance Federation of Minnesota, charges. The city is competing with its insurance men, who are taxpayers, he said. Bond and insurance premiums are greatly reduced in volume through this system, he explained, adding that losses are paid by unseen and unknown drains on public money.



Fire Association of Philadelphia The Reliance Insurance Company Victory Insurance Company

OTHO E. LANE, President

JAMES G. MACONACHY, Vice-President

J. VICTOR HERD, Secretary

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IN THE MISSOURI VALLEY

May Cut St. Louis Protection

Fire Department Efficiency There Is Menaced by City Comptroller's Economy Move

ST. LOUIS, Oct. 26.—The St. Louis fire department's efficiency is again menaced by a wave of economy advocated by City Comptroller Nolte. The comptroller has served notice on the director of public safety and Fire Chief De Voto that the department's expenses must be reduced, to avoid exceeding the 1932-33 appropriation by about \$100,000. He has not told them how the cuts must be made but the chief fears several fire stations in the downtown district must be closed.

"I don't think that it would impair the service or endanger the public if a few fire houses were closed," Mr. Nolte said. "With motorized equipment, the firemen can get to any section quickly."

William de Rohan has been making a survey of the fire department for the National Board and it is hoped that his report may be used as a basis for whatever action is taken.

Chief De Voto said that instead of closing any houses the city should be building additional fire stations in the newer residence district of south and southwest St. Louis.

Reports on Salina Convention

C. K. Foote, former president of the Kansas Association of Insurance Agents, reported on the Salina conven-

tion at the meeting of the Wichita Insurers last week. President A. E. Small presided. Lieut. Ray Ashworth of the traffic division of the Wichita police department reported on the National Safety Congress, which he attended.

American Auto Men in Topeka

O. L. Schleyer and George L. Schulze, vice-presidents of the American Automobile of St. Louis, have been in Topeka conferring with the Meade Investment Company, general agents for that company in Kansas. Holmes Meade, newly elected president of the Kansas Association of Insurance Agents, is president of the agency.

Firearms Talk to Blue Goose

DES MOINES, Oct. 26.—At the Monday luncheon of the Iowa Blue Goose, A. C. Hall, manager of the Hawkeye-Des Moines department, sponsored Lou Russell, expert shot of the Remington Company, who told about firearms and explained the different kinds for different kinds of hunting.

Omaha Has Good Credit Bureau

OMAHA, Oct. 26.—The Omaha Association of Insurance Agents operates a very successful credit bureau. Guy Cramer, secretary of the association, is also secretary of the credit bureau, which now has 98 members. All members report all cancellations of policies on account of non-payment of premiums twice a week, and each member of the association is then notified to cease credit to

such persons until settlement is effected. Some insureds have been reported as often as 11 times, and quite a few from three to six times. Cash on delivery of policy is demanded in such cases.

Companies Will Cooperate

Chester E. Ford of Des Moines, chairman of the legislative committee of the Iowa Association of Insurance Agents, in a bulletin to members states that the fire and casualty companies have agreed to cooperate with his committee to secure the passage of an agents' qualification bill, an anti-rebate bill and a resident agency bill. Chairman Ford asks the local agents therefore to stand by until a move is made to get these measures before the legislature.

Local Board Handles School Line

The Iowa City, Ia., school board has decided to leave the distribution of its insurance entirely in the hands of the Iowa City Board of Underwriters' committee, headed by H. L. Bailey, which is working upon an equitable plan to distribute insurance among the various city agencies.

Friends Dine Welpton and Walsh

OMAHA, Oct. 26.—At the dinner here in honor of D. B. Welpton and P. K. Walsh, 110 insurance men of Omaha, Nebraska, and western Iowa were present.

Scrol's, signed by all present, were presented both the guests. Each also

received a package, about the size of a quart, labeled "Do not open until Christmas." C. R. Tuttle of Chicago, western manager of the North America, parent company of the National Security of Omaha, with which Mr. Walsh was connected, and H. J. Gregg, assistant manager of the western department of the Royal, Mr. Welpton's old company, were present.

Mr. Welpton retired from the service of the Royal last January, but continues as president of the Wheeler-Welpton-Alexander agency of Omaha. Although 70 years of age, he puts in the full eight hours each day at the downtown office. Mr. Walsh was vice-president and secretary of the National Security at the time of his resignation three months ago.

Hardy in St. Louis

Edward R. Hardy, secretary of the Insurance Institute of America, will be the principal speaker at a meeting to be held in St. Louis under the auspices of the St. Louis Blue Goose Oct. 31.

Missouri Valley Notes

Insolvency of the Union Underwriters Agency of Des Moines has been announced. R. J. Hild is assignee.

An inspection of Dubuque is to be conducted Oct. 26-27 by the Iowa State Fire Prevention Association.

W. A. Meston, president of the Meston Adjustment Company, St. Louis, died there last week.

Mrs. Lillian M. Mitchner, mother of Bert Mitchner of the Mitchner Investment Co. of Hutchinson, former president of the Kansas Association of Insurance Agents, was reelected president of the Kansas W. C. T. U., an office she has held for many years.

STATES OF THE SOUTHWEST

Report Is Made on Austin

National Board Calls Attention to Some Weaknesses in the Fire Fighting Facilities

The National Board in reporting on Austin, Tex., shows the loss for the last five years \$684,643 with an average loss per fire of \$477 and an average loss per capita \$3. The water supply works are adequate. There are some unreliable features but adequate quantities are generally available. The fire department is only fairly efficient. It is well equipped but seriously undermanned. There is no fire alarm telegraph system. The transmission of fire alarms is dependent on public telephones. The engineers say that the buildings in the principal mercantile districts are lacking in fire protective features. The fire department is only fairly efficient. However, the water supply is adequate, the streets are of good width and heights are mainly low. The resultant conflagration hazard for the district as a whole is low but severe individual or group fires are probable. In other parts of the city, serious fires involving considerable area may occur and a moderately severe hazard exists where there is congestion of frame dwellings.

New Perry Office at San Antonio

The Perry Insurance Claims Service has opened a new office at San Antonio under the management of Raymond Williams, who has been transferred from the Longview branch. Mr. Williams has been with the company since it was organized and is thoroughly familiar with the claim business in Texas. The new office is located in the National Bank of Commerce building. The Perry service now has eight offices.

Texas Agents in Confab

AUSTIN, TEX., Oct. 26.—The legislative program for the Texas Association of Insurance Agents and the new Texas automobile manual, as well as a number

of current problems, will be taken up here today at a joint meeting of the association's directors and legislative committee called by President A. D. Langham. The general fire and tornado hearing by the board of insurance commissioners will be held tomorrow and it is expected the agents will make arrangements for active participation at their meeting today.

Subject to Occupation Tax

AUSTIN, Oct. 26.—Lloyds operating in Texas are subject to the occupation tax on their gross premiums, the attorney-general's department has ruled in an opinion to the state auditor. Lloyds have not been required to pay any occupation taxes but have been assessed a workmen's compensation insurance commission maintenance tax, the Texas board of insurance commissioners having previously ruled to that effect.

Coffman Joins Dallas Agency

SAN ANTONIO, TEX., Oct. 26.—W. Ray Coffman, for 11 years with Coleman & Co., San Antonio agency the greater part of the time with the marine department, is now with the Dexter Brothers & Wheeler general agency of Dallas. Mr. Coffman succeeds Mr. Wheeler as manager and it is understood that the agency will be known as the Dexter Brothers & Coffman general agency.

Cousins in Fort Worth

FORT WORTH, TEX., Oct. 26.—R. B. Cousins, Jr., secretary of the Texas fire prevention committee, Austin, spoke here over radio station WBAP. The insurance men listened to the address over the radio at the chamber of commerce. He later joined them and discussed with them conditions in Fort Worth.

San Antonio Exchange Meets

SAN ANTONIO, TEX., Oct. 26.—The San Antonio Insurance Exchange at its meeting last week heard a report

Established 1807

EAGLE STAR

and
British Dominions
Insurance Company, Ltd.
of London, England



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PACIFIC COAST DEPT.
114 Sansome St.
SAN FRANCISCO

WESTERN DEPARTMENT, 175 W. Jackson Blvd., CHICAGO

Harry G. Casper
Associate Manager

Lawrence C. Larson
Superintendent of Agents

..... AN OPPORTUNITY AND THE MEANS TO CULTIVATE IT

AN opportunity unexcelled in any other branch of business activity is available today in the Automobile casualty insurance field. Recent surveys indicate that by the most generous estimates not more than 25 percent—or one in every four—of all the motor vehicles now in operation in the United States are protected by Automobile Public Liability and Property Damage insurance. Obviously, several hundred millions of premium dollars annually are available to reward the efforts of aggressive agents who recognize and cultivate the rich possibilities offered by this line.

Agents whose company connections enable them to offer the advantages of sound, reliable protection and efficient nationwide service at attractively low cost to motorist prospects can by reasonable application quickly build an unlimited volume of profitable Automobile business. To desirable representatives this leading company affords such advantages.

AMERICAN MOTORISTS INSURANCE COMPANY

James S. Kemper, President

MUTUAL INSURANCE BUILDING, CHICAGO, U. S. A.

Represented by Leading Agents Throughout the Country

from Secretary F. F. Ludolph on the national convention.

The credit information plan, whereby every office receives information within 30 minutes after a cancellation, was reported to be working satisfactorily. The proposed compensation plan whereby a discount is to be allowed where the premium is over \$1,000, was opposed.

Commercial Standard Changes

Ben L. Sloan, special agent Commercial Standard, has been transferred from Houston to San Antonio. H. R. Haygood, assistant secretary of the Commercial Standard, has been transferred from San Antonio to Dallas. Herbert O. Craft succeeds Mr. Sloan at Houston.

Schultz to Assist Porter

J. H. Schultz of the San Antonio office of the Fire Companies Adjustment Bureau has been transferred to the Austin office as assistant to Manager E. B. Porter.

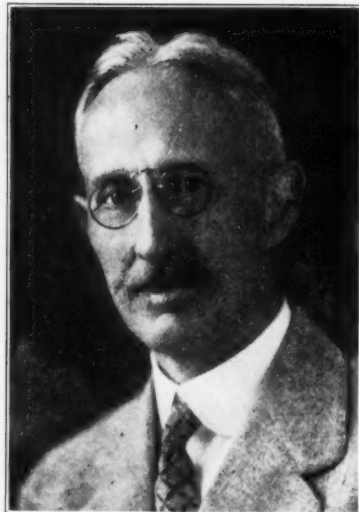
Texas Notes

L. R. Hollingsworth has bought the Paul & Co. agency of Harlingen, Tex., which will be known as the Hollingsworth Insurance Agency.

W. S. Schley, whose father conducts an agency at Devine, Tex., has opened a new insurance agency at George West, Tex.

S. W. Creekmore, for 17 years a cotton broker at Fort Smith, Ark., has purchased the local agency of C. J. Flocks. Mr. Flocks, who has been in the insurance business 23 years, will be associated with Mr. Creekmore in the agency.

Committee Head



FRED M. BURTON

Fred M. Burton, prominent Galveston, Tex., agent, was chairman of the committee on local arrangements in his city at the time the National Convention of Insurance Commissioners spent two days in the city last week. Mr. Burton proved a most tireless and ingratiating host.

advertising and selling. Home office officials from the Lumbermen's Mutual were Executive Vice-President and Manager C. H. Keating, Agency Supervisor E. C. Frampton; Chief Underwriter S. F. Coffin, and Advertising Manager L. H. Jones. The Lumbermen's Mutual Casualty was represented by M. P. Luthy, assistant vice-president and advertising manager. General Agent Bruce Davis of Atlanta had charge of the arrangements.

Action Taken at Tampa to Stamp Out Arson Increase

TAMPA, FLA., Oct. 26.—Members of the Florida Field Conference and the Tampa Local Agents Association met here last week with Mayor E. L. Chancy, Federal Judge Akerman, F. M. Traynor, president of the chamber of commerce, and other leading citizens, to work out a plan to stop the fearful arson losses in the city and county, the mayor asserting that it is a matter of deep concern for citizens. W. G. Amann, special agent of the state department of insurance, was also present.

John Ward, special agent H. C. Hare Company, Jacksonville, presided, and the situation and necessity for action was outlined by R. W. Turner, Northern Assurance, secretary of the Field Conference.

Mr. Ward refuted the idea that careless underwriting is to blame, saying that all property is under closest inspection. In two years there had been but two prosecutions, and one of these two accused pleaded guilty.

Controversy Over Mutuals in Virginia Is Adjusted

Committees named to look into the representation of mutuals by certain stock agencies in the state reported at the fall meeting of the Fire Insurance Field Club of Virginia at Roanoke that the matter had been satisfactorily adjusted, the agencies having resigned the mutuals.

Following the business session, a joint meeting was held with local agents of the city to discuss how to reduce the excessive loss ratio in Zone 2, a suburban area. The local agents will name a committee to cooperate with a committee of the club in efforts to reduce the losses. D. E. Witt and R. B. Davis were elected members of the executive committee to succeed J. C. Leach and A. L. Owen.

Expressions of sympathy were sent C. P. Carr, special agent for Crum & Forster, who has been ill for some time in a Washington hospital.

Louisiana Recommendation

NEW ORLEANS, Oct. 26.—A recommendation originated by the New

Orleans Insurance Exchange and addressed to the executive committee of the Louisiana Insurance Society was adopted at each of its six regional meetings, asking that the president address a letter to the National Association of Insurance Agents, requesting that the conference committee of the association make the necessary effort to obtain approval of the companies for the establishment of a uniform 20 percent commission in I. U. B. business, in such time as will permit the companies to file the 20 percent commission in Louisiana by Dec. 1, in accordance with legal requirements.

Meyer Gerson Retires

MONTGOMERY, ALA., Oct. 26.—On account of poor health, Meyer S. Gerson, one of Montgomery's best known local agents, has retired temporarily from active business and his business is being handled by the Copeland Mortgage & Insurance Company.

Mr. Gerson was in business here for many years and has been one of the most active members of the Montgomery Exchange.

Three Kentucky Fires

Three sizable fires occurred in Kentucky last week. The largest was that of the W. R. Nagel Tobacco Company plant at Paducah, Ky. It was estimated there were 500,000 pounds of tobacco in the building and the loss is estimated at \$100,000.

There was a loss to the kiln and 90,000 feet of lumber at the W. R. Willett Lumber Company in Louisville, the loss being estimated at \$35,000. There was a \$12,000 loss in Owingsville, when the warehouse of E. L. Barnes undertaking and furniture store was destroyed.

Include Bureau in Suit

ATLANTA, GA., Oct. 26.—At the October meeting of the Atlanta Insurance Exchange last week, President Herman Haas reported that the Georgia Inspection & Rating Bureau had also been included in the suit brought by the McDonald Insurance agency against the Atlanta exchange for damage to their business.

Alabama Department Jeopardized

MONTGOMERY, ALA., Oct. 26.—Functioning of the Alabama insurance department is in serious jeopardy as a result of the enactment of the Fletcher financial control bill. This measure took away the department's contingent appropriation, which always came out of the receipts of the department, approximating about \$1,000,000 a year, and makes it necessary to enact new bills making appropriations for the various branches of state government. There are only two such bills pending and each of them appropriates only \$12,500

IN THE SOUTHERN STATES

License Law "Satisfactory"

Florida Commissioner Comments on Operation of Qualification Statute—Report on State Fund

TAMPA, FLA., Oct. 26.—In his report to the governor for the fiscal year ending June 30, 1932, Commissioner Knott says that a major activity of the period has been putting into effect of the new agency qualification law. He considers that results "have been as satisfactory as might have been expected reasonably in a short space of time, and continued improvement may be expected, with equal confidence, as this work is developed."

The report shows that of the \$10,441,276 of insurance now carried on state owned and controlled properties, \$7,415,810 is in the state fire fund, established in 1917, and \$3,025,466 in companies, the premiums on the first group being \$159,013 and in carriers, \$39,991.

The net premium credits on this business for the state fund since its creation total \$548,249, with losses of \$115,119,

and expenses of \$30,169. Premium taxes lost to the state by use of fund amounted to \$10,964 for the whole period.

Florida tax collections from insurance companies of all kinds for the year were \$928,523, divided as follows: Company licenses, \$76,400; agents licenses, \$80,958; 2 per cent premium tax, of 1931, \$766,900; filing fees, \$4,265.

During the year 13 companies were admitted in the state and 36 withdrew.

Mutual Agents' Convention

Two Companies Join Hands in Getting Their Men at a Meeting in Atlanta

The Lumbermen's Mutual of Mansfield, O., and the Lumbermen's Mutual Casualty of Chicago held a joint convention of their agents in Georgia, Florida and Alabama in Atlanta last week. There were 35 agents present and it was the first meeting the mutual agents ever held in the southeast. The most important subjects discussed related to underwriting problems peculiar to the south,

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annually to the insurance department for all salaries and expenses.

Last year the department operated on a total expense of \$24,200, of which \$13,900 was for salaries. Superintendent Greer declared that if only \$12,500 is appropriated the allowance will be barely sufficient to pay salaries and nothing will be left for other expenses.

Alabama insurance men are getting in touch with the legislators in the hope that in the remaining two weeks of the special session something may be done to relieve the situation.

Can't Agree on Cash Plan

AUGUSTA, GA., Oct. 26.—At the monthly meeting of the Augusta Board the question of a feasible cash plan was again discussed, but the agents present were hopelessly divided. The movement for a cash plan was led by the younger group of agents, but disapproved by the old-timers.

A committee representing the Augusta Board of Underwriters has been appearing before the building committee of the Richmond county board of education in an effort to have all insurance on the proposed new school buildings placed either with Augusta agents or handled exclusively through the board.

Miller Sells General Agency

Arthur G. Miller of Birmingham, Ala., general agent of the City of New York and People's National department of the Baltimore American for the last four years, has sold his agency to Godchaux & Mayer, well known general agents at 817 Union street, New Orleans.

To Honor Miss Insurance

A feature of the annual meeting of the Tennessee Association of Insurance Agents in Nashville, Nov. 10-11 will be the presence of Mrs. C. S. Cason of Chattanooga, who was "Miss Insurance" at the annual meeting of the National Association of Insurance Agents in Philadelphia. She will attend the Tennessee convention as a guest of the Chattanooga Insurance Exchange and will be entertained at luncheon by the Woman's Insurance Club of Nashville and will be a guest of the Tennessee association at the banquet.

The Woman's Insurance Club will give a dance following the banquet at which Mrs. Cason will be the honored guest.

Miss Lorena Davis of Charles Sykes & Son, Nashville, is president of the Woman's Insurance Club.

Vice-president Spencer Welton of the Massachusetts Bonding will give an address along casualty lines. W. E. Bethshires, special agent of the North America will take up the subject of "Hot Towns." George A. Caldwell of Knoxville will talk on the subject of "Accident Frequency, Reflected in Advance Rates."

Britain Starts Agency

B. Frank Brittain has opened an agency in the Odd Fellows Temple, Wilmington, N. C., doing business under the name of Brittain's Insurance Agency. Mr. Brittain was a soliciting agent for 32 years for the Walker Taylor Agency in Wilmington. His agency will represent the Globe Underwriters, Merchants of Rhode Island, Yorkshire, Equitable F. & M., Carolina, Security of New Haven and New Amsterdam Casualty.

Agents Out of Cotton Line

The shipment of cotton in the south which began early in August and was under full headway the latter part of September, while productive of substantial premiums to the marine writing offices, supplies little revenue to the straight fire companies or to their agents. Time was, prior to the formation of the two associations specializing

Georgia Councillor



ALBERT R. MENARD

AUGUSTA, GA., Oct. 26.—Scott Nixon, president of the Georgia Association of Insurance Agents, has appointed Albert R. Menard of Macon national councillor to succeed Sidney O. Smith of Gainesville, who resigned to become a member of the executive committee of the National Association of Insurance Agents. Mr. Menard is a former president of the Georgia association and is now president of the Macon chamber of commerce.

in the handling of cotton insurance, when that coverage on the crop constituted one of the main sources of premium income to the fire companies and their local representatives and was relied upon to offset income reductions from other lines. The development of the transit cover idea, however, was a severe blow to the previous practice of indemnifying on cotton stores in warehouses, little of which type of business is now to be had.

Veteran Appraiser Dies

E. Harry Selden, for many years appraiser of difficult losses for fire companies in southeastern territory, died suddenly at his home in Richmond last week. R. M. Friend, manager Fire Companies Adjustment Bureau at Richmond, said Mr. Selden would be greatly missed in that work.

New Elevator Schedule Approved

Revised schedules for rating fireproof grain elevators in Virginia have been approved by the state corporation commission. The schedules involve some reduction but no increase in rates.

Kentucky Notes

W. M. Desmond, local agent at Bellevue, Ky., died last week.

C. O. Terry, adjuster with the Western Adjustment in Louisville, and Miss Flora Virginia Sutcliffe of Louisville will be married there Saturday.

News of Pacific Coast States

California Agents' Program

Notable Speakers Announced for State Association Convention at Santa Rosa Nov. 17-18

SAN FRANCISCO, Oct. 26.—The program for the silver anniversary convention of the California Association of Insurance Agents at Santa Rosa Nov. 17-18 has practically been com-

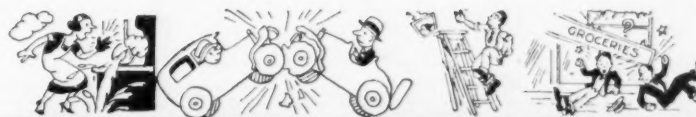
SAFETY SIDELIGHTS

slippery pavements

Autumn, with rain and falling leaves, creates new hazards for the motorist—poorer vision and slippery pavements. It is probably largely because of these two factors that the accident frequency curve rises at this time of the year.

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Reserve for Losses, etc.	678,921.47
Reserve for Security Values	1,500,000.00
CASH CAPITAL	1,000,000.00
NET SURPLUS	1,204,994.67

TOTAL ASSETS \$6,466,423.76

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pleted. It will include an address by Prof. H. A. Mowbray on "Analyzing Insurance Companies' Financial Statements"; discussion of "Mutual and Reciprocal Competition and How to Meet It," by Francis McDowell; address on street and highway safety campaigns, Bert G. Wills, vice-president Fireman's Fund Indemnity, and Douglas Evey, East Bay Insurance Exchange; discussion by H. J. Thielen, chairman farm committee on what has happened during the year in farm insurance and some of its problems, followed by a representative of the Pacific Board on the same subject, and an address by H. E. Manners, associate manager National Automobile Club.

C. T. Buckman of Visalia will serve as chairman of the group conference for agents with production of less than \$75,000 and W. F. Reichel, Oakland, for the group with more than \$75,000 production. The past presidents' dinner is scheduled for Thursday evening, Nov. 17, with W. T. Rambo, San Jose, as chairman. A breakfast conference will be held Friday morning for associations interested in writing political subdivision insurance, with F. R. Pickett of Sacramento as chairman, followed by an executive session for agents only, at which the discussion will center on auto-

matic cancellation, installment payments, proposed legislation and road traffic signs. The banquet the evening of Nov. 18 will take the form of "High Jinks," with no speeches.

Fire Prevention Leaders Guests

SAN FRANCISCO, Oct. 26.—F. H. Wentworth, managing director National Fire Protection Association, and Paxton Mendelssohn, Detroit fire prevention leader, were guests of honor at a meeting of the Phoenix Society here last night. Mr. Wentworth and Mr. Mendelssohn, together with several fire chiefs and city officials, who were also guests of honor, were returning from the meeting of the International Association of Fire Chiefs at San Diego.

Joining with the society in welcoming the honored guests was the fire prevention committee of the junior chamber of commerce. T. H. Larke, Jr., San Francisco broker and commissioner of fire prevention of the city, is head of the Phoenix Society, which was organized for the advancement of the fire department in protection, prevention and extinguishment.

Non-Board Bureau Meets

LOS ANGELES, Oct. 26.—W. B. Rearden, district manager for Firemen's group in southern California, presided at the luncheon meeting of the California Insurance Bureau, composed of representatives of non-affiliated fire companies operating in this territory. The meeting was devoted to discussion of current field conditions.

Fresno Puddle Holds Luncheons

Regular Monday luncheons have been started by the Fresno puddle of the San Francisco Blue Goose. L. E. Colburn, Fidelity-Phoenix, is contact committeeman for the Fresno puddle. Last Saturday the Fresno puddle gave an afternoon smoker so that members might hear the radio broadcast of the football game between Sanford University and Southern California.

Regional Meeting at Santa Ana

At the regional meeting of the California Association of Insurance Agents at Santa Ana the speakers featured were F. C. Colridge, executive secretary, and Eugene Battles, past president, both of whom went to Los Angeles for a joint dinner-meeting with the Fire Insurance Exchange of Los Angeles. The principal addresses were given by W. H. Menn, president of the exchange, and J. F. S. D'Aule, general manager for the southern California committee on employment stabilization.

Seattle Blue Goose Officers

SEATTLE, Oct. 26.—New officers elected by the Seattle Blue Goose are: Mark Dearborn, most loyal gander; A. D. Richards, supervisor; Robert Sigel, custodian; W. Gascoigne, guardian; L. V. Sears, keeper, and George McGaffigan, welder.

Chalenor With Firemen's

John Chalenor, formerly special agent in southern California for the Norwich Union, has been appointed special agent for the Firemen's group, succeeding R. V. Pratt, resigned.

New Salt Lake General Agency

SALT LAKE CITY, Oct. 26.—A new general agency is being organized here to be known as the Ensign-Kenning Company. It will cover Utah and Idaho and later may extend its territory. The principals will be President A. H. Ensign, who founded the A. H. Ensign & Son agency of this city more than 40 years ago and has headed it ever since; vice-president, Jerry Kenning, America Fore special agent in Utah and Idaho for the past 18 years, and F. H. Ensign, son of A. H. Ensign

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and a member of the Ensign firm, secretary-treasurer. The new company will absorb the business of Ensign & Son.

R. W. Dyer of the local branch of the Pacific Board will succeed Mr. Kenning as special agent for the America Fore.

Blue Goose Hears Tax Talk

Rolland A. Vandergrift, director of finance of California, addressed the San

Francisco Blue Goose at its luncheon Monday on "Tax Problems in California and Constitutional Amendment No. 9." George N. Cusick, most loyal gander, presided.

Former Governor C. C. Young of California will address the San Francisco pond Blue Goose Oct. 31.

The Columbia Insurance Agency has been organized at Portland, Ore., by Harry H. Daus, Ara Harned and Frank I. White.

EASTERN STATES ACTIVITIES

Agents Object to Method

Westchester County, N. Y., Association
Writes Board of Commissioners Regarding Placing of Insurance

Refusal of County Attorney Davidson of Westchester county, New York, to grant members of the Westchester County Association of Local Agents permission to review policies in insuring county property unless the agents first approve or disapprove of the management and financial standing of certain companies in which the insurance is placed, has been met by an open letter sent to the county board of supervisors by President A. J. Dealy and Secretary-Treasurer E. P. Schaefer of the agents' group. The agents considered the requirement improper.

They stated they desired to review the county's policies because they believed the major portion of the insurance was placed outside of the county and not with resident agents; also that the county attorney named certain mutual or assessment carriers. The letter asked whether the board of supervisors authorized placing the insurance in these carriers, if not authorized, why those in charge did so, making the county and taxpayers subject to assessment or contingent liability in amount from 100 to 500 percent. The agents also questioned the authority of municipalities insuring in mutual or assessment companies. They took exception to the "coercion of county employees who are being required to insure their automobiles in a certain mutual insurance company under a blanket group policy at off tariff rates in violation of the New York state rating law," citing particularly the county parkway employees.

An item of \$3,000 in the 1932 budget under the heading of "insurance," termed "special studies," the agents stated was for the study of wages and salaries. They asked what connection such a study could have to a budget covering the item of insurance. The association men stated that a centralized manager of insurance for the county was desirable, but they could not approve of such a plan resulting in the placing of insurance with others than agents and brokers within the county. The agents offered a centralized plan which would include distribution of the insurance equitably among agents of the county and provide all necessary service without additional cost.

Associated Insurers Hear Blake

Edward Blake of Rochester, district manager of the Travelers, spoke before the Associated Insurers of Ontario, Seneca, Yates and Wayne Counties at a joint meeting at Canandaigua Lake, discussing compensation insurance.

Eastern Notes

The Humphrey-Oertzen Agency, Newark, has been incorporated by J. L. Humphrey, John Goldblatt and E. C. Oertzen.

The Chesapeake Insurance Agency, Baltimore, has been incorporated by N. B. Orrick, H. H. Moss and A. P. Longcope.

Estelle C. Kinder, W. A. Johnson and H. L. Robinson of Baltimore have incorporated the Eastern Insurance Underwriters.

NEW ENGLAND NEWS

Rouillard Is New President

Claremont Man Chosen as Head of
New Hampshire Association of
Insurance Agents

The New Hampshire Association of Insurance Agents, holding its annual meeting at Manchester, elected these officers: President, Arthur J. Rouillard, Claremont; vice-presidents, J. Frank DeMeritt, Exeter; A. B. White, Keene, and G. H. Duncan, of East Jaffrey; secretary-treasurer, R. N. Davis, North Conway; national councillor, C. W. Varney of Rochester; executive committee, A. B. Gile, Hanover, chairman; C. I. Spaulding, Nashua; J. H. Laflamme, Manchester; C. J. McKee, Concord and A. H. Nelson, Lancaster.

A. B. Gile of Hanover presided and in his address told of the advantages of an agents' qualification law and enlarged on the importance of highway safety

work. J. Frank DeMeritt of Exeter presented the secretary's report, outlining some of the problems of the past year.

E. E. Cole of Fall River, Mass., condemned the branch office evil. He feels that every agent eventually will have to choose between the American agency system or the branch office method common in Europe. He also feels that the present method of compensation rating is incorrect, in view of changing economic conditions. An advance in rates is vitally necessary if the companies are to maintain solvency, he said.

J. W. Cook of Providence, R. I., and George L. Briggs of Amesbury, president of the Massachusetts association, also spoke briefly. John McPherson made a practical talk on highway safety. James Sanderson, president Mountain Field Club, extended greetings and pledged cooperation with the New Hampshire association.

Commissioner Sullivan of New Hampshire made a brief but effective talk, emphasizing the laudable cooperative spirit between companies and agents in the state. He feels this quality is more important than quantity. The present goal is security and underwriting profit, he said, and agents should keep closely in touch with the quality and character of policyholders. In closing he paid tribute to the fine work of Governor Winant in seeking to improve the state's

(CONTINUED ON PAGE 43)

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THIRTY-SIXTH YEAR
NUMBER 43

CHICAGO, CINCINNATI, SAN FRANCISCO AND NEW YORK, THURSDAY, OCTOBER 27, 1932
Office of Publication, 175 West Jackson Boulevard, Chicago, Illinois

ILLINOIS AGENTS
CONVENTION NUMBER

Illinois Agents Reelect All Officers

Rockwood Hosmer Again President

Clause Reducing Coverage One-Fourth for Vacancy Is Criticised

PROGRAM OF HIGH ORDER

Goss Hits Hard in Farm Talk—Much Interest in Street's Address—Troxell's Report Important

Deciding not to change horses in the middle of the stream, the Illinois Association of Insurance Agents, in annual session at Quincy, reelected the entire administration, headed by Rockwood Hosmer of Chicago.

V. G. Musselman of Quincy, reporting as chairman of the nominating committee, pointed out that the year has been one of worry and responsibility for the administration of the Illinois association. Various features of the agents' qualification law have called for action and study and the compensation program, particularly the proposal to apply rate increases to existing policies, occupied the attention of the officials. Accordingly, Mr. Musselman said the nominating committee decided a continuity of administration was desirable, due to the fact that the present officers had a background of information and policy.

The attendance was disappointing, except—
(CONTINUED ON PAGE 38)

Agents are Challenged to Improve the Farm Record

Goss Requests Producers to Submit Substitute for Commission Cut

I. D. Goss, farm manager for the America Fore companies in the west, in his address before the Illinois agents, called upon those agents who are protesting the proposed reduction in farm commissions, to offer a constructive underwriting program as a substitute. Mr. Goss has been heard often on farm questions, but his remarks were never so forceful and so immediately significant as at the Illinois meeting.

Mr. Goss said that his hearers should not conclude that he favors a reduced commission scale, but that in fairness to the business he does favor something which will ease the burden "bearing down upon the companies with such back-breaking force."

In addition to calling upon the agents for better farm underwriting, Mr. Goss suggested two other sources of relief. One would be a general increase of farm rates. "If stock company farm rates could be increased today in the same proportion that the assessments of the farm mutuals have been increased for the last 12 months, our outlook would be immensely improved," he declared.

The other source of relief, he said, would be a replacement clause in the farm policies to provide that the liability of the company shall be limited on any one building item to an amount not exceeding 90 percent of the sum

Reelected

President—Rockwood Hosmer, Chicago.
First vice-president—Alvin S. Keys, Springfield.

Second vice-president—Frank J. Budeher, Rock Island.

Third vice-president—J. Edward Martin, Peoria.

Secretary-treasurer—S. E. Moissant, Kankakee.

Chairman-councillor—R. W. Troxell, Springfield.

expended for replacement, or in any case for not more than 75 percent of the actual cash value. This would mean that an assured would have to spend 10 percent more in replacement than the amount of money collected and would guarantee that no part of the money could be retained to pay mortgages and other pressing obligations.

A pledge by the local agents to cooperate in effecting such an increase or such reform in the policy contract, according to Mr. Goss, would be much more acceptable than a reduction of the commission scale.

The major responsibility for the farm insurance record is that of the agent, he said. "What he intends to do with it will constitute the heroic narrative of the farm business or else the final chapter of this bad story. It has come to just that, and let no one harbor any doubt. If the farm agents will not save this business it must go the way of other honorable institutions

(CONTINUED FROM PAGE 36)

Street Criticises Qualification Law

Hosmer Asks Charitable Attitude Towards Statutes After Manager's Talk

LOOPHOLES POINTED OUT

Vice-President of Great American Says Balance Situation Discreditable—Companies Partially Responsible

The remarks of C. R. Street, vice-president and western manager of the Great American, which attracted most attention at the meeting of the Illinois Association of Insurance Agents, were those concerning the Illinois qualification law.

Time is needed to show that the Illinois law, according to Mr. Street, does or does not meet the expectations of agents. "It has in it," he said, "a loop hole through which one can drive a five-ton truck, as has already been demonstrated to the detriment of several supporters of the agency system and believers in proper agency qualification. Under that statute as it stands a corporation can be licensed as agent or broker, and it has already proven a simple matter for a large insured to incorporate an agency with nominal capital, secure a license for the corporation agency and in that way pocket practi-

(CONTINUED ON PAGE 50)



ROCKWOOD HOSMER, Chicago
President



R. W. TROXELL, Springfield
Chairman and Councillor



ALVIN S. KEYS, Springfield
First Vice-President



S. E. MOISSANT, Kankakee
Secretary

President Scans Current Problems

National Association, Hosmer Says, Saved Agents from Commission Cuts

DRIVERS' LAW IS NEEDED

Qualification Law Should Be Strengthened During the Year, Leader Asserts

In his presidential address before the annual meeting of the Illinois Association of Insurance Agents, Rockwood Hosmer of Chicago turned his attention to many problems of the business today, including commission reductions, collections, security valuations, legislation, workmen's compensation and the agency qualification law.

Mr. Hosmer declared that the companies, faced with mounting loss ratios and reduction of security values, turned to the first and easiest (to them) expedient of a reduction in agents' commissions. "Were it not for the National Association of Insurance Agents," he said, "it is safe to say that this would already be in effect on many lines. We recognize the problems of the company. We are willing and anxious to assist them in every legitimate way, but we also claim that we too have a right to existence, that times are equally difficult for us and that that company is indeed short sighted which reduces the scale of compensation to its principal source of business to the extent that that source is forced out of existence."

"Rate increases," he continued, "do not counterbalance reduced commissions. In fact, in times like these, rate increases do not necessarily mean increased premiums."

Undue Credit Unfair to Companies, Agents Alike

As to collections, Mr. Hosmer said that undue extension of credit is unfair to the companies and agents both. In addition to the selection of risks from the standpoint of insurability, agents also must consider collectibility, he said.

(CONTINUED ON PAGE 36)

Drivers' Law Endorsed, Vacancy Changes Are Hit in Memorials

In view of the satisfactory results obtained by the conference of the representatives of the company organizations with the committee of national councillors from 18 mid-western states, we urge upon the companies the policy of continuing and enlarging the practice. The pressing needs of the companies for closer underwriting supervision and increased premiums on such classes as unprotected and vacant properties have resulted in attempts to deal with such problems in a manner which we feel to be impractical.

We are thoroughly in sympathy with the needs of the companies in this respect, but we believe methods can be developed to place these classes of business on a basis profitable to the companies, and we believe new operating methods to meet these requirements should not be adopted without prior consultation with the agents who are so vitally interested and who believe that by present methods they are often unnecessarily harassed without any real benefit to the insurance business.

* * *

Considering the terrific toll of life and limb through automobile accidents, many of which tragedies could be averted by reasonable drivers' license restrictions, we urge the next regular session of the Illinois legislature to enact a drivers' license law patterned after the best effective legislation in the states granting a permit to drive a car in Illinois contingent upon satisfactory evidence of physical and mental fitness by adequate examination. To this end we recommend the uniform drivers' license act sponsored by the National Conference of Street & Highway Safety of Washington, D. C.

* * *

Whereas economic pressure has placed an unprecedented strain, not only on industry and individuals, but particularly on insurance companies and other financial institutions, it is evident that the duties and responsibilities of public officials charged with supervising such institutions are redoubled and require not only the usual painstaking effort, but also a broadened view and abnormal demands in every respect and

Whereas the duties of the insurance division of the department of trade & commerce of the state of Illinois have also been greatly enlarged by the enactment of brokers' and agents' qualification bills, and

Whereas it is the sense of the insurance agents of Illinois in annual meeting assembled that the supervising officials of the state and their staff have not only assumed these tremendous burdens without complaint, but have discharged them with notable efficiency and with due regard to all interests involved, therefore

Be it resolved that this annual meeting of the Illinois Association of Insurance Agents desires to record its appreciation of the unusual service rendered to the public by the superintendent of insurance, Harry W. Hanson, and his department staff, for whose loyalty and conscientious efforts in the public service we are deeply indebted.

* * *

To the agents of Quincy this convention desires to express the deeply felt appreciation of all in attendance for their unremitting efforts in entertaining the delegates and in caring for every convention need.

Bid for the 1933 Meeting Is Presented by Peoria

An invitation was presented by Lyle H. Gift of Peoria to hold the 1933 meeting of the Illinois Association of Insurance Agents in his city. The meeting last year was held in Peoria. Sentiment, however, seems to favor Rockford for next year's gathering.

Fred Gund, western manager for the Crum & Forster companies, was hobnobbing with friends.

Changes May Be Needed in the Qualification Laws

Some amendments to the Illinois agents' and brokers' license laws may be advisable, Alvin S. Keys of Springfield stated in his written report to the Illinois Association of Insurance Agents as chairman of the legislative committee. Mr. Keys was not present.

The amendments may be needed to clarify the laws and facilitate their administration, according to Mr. Keys. The decision on these proposed changes to be sponsored by the Illinois Association of Insurance Agents, he said, is a matter properly to be determined by the officers and directors together with the legislative committee.

The regular session of the legislature was not held during the current year, Mr. Keys pointed out. While several special sessions were held they were confined to the purposes of the calls, which were other than consideration of insurance matters.

Quincy Board Entertains 80 Company Representatives

About 80 company representatives were guests at the annual fall celebration for company men given by the Quincy board. The outing was held the day before the annual meeting of the Illinois association. Golf was played during the day, a buffet luncheon was served at noon and there was a dinner in the evening.

V. G. Musselman was chairman of the day. Bartell Gerhard, president of the Quincy board, made a short talk of welcome after the banquet and Victor Winters presented the golf prizes.

J. Lewis Cassell, state agent for the London Assurance, was winner of the low gross prize.

Allan I. Wolff Is Heard at Banquet

Calls Commission Reduction Superficial Treatment of Underlying Disorder

HIDDEN FACTORS VITAL

National Leader Outlines Policy That Agent Should Follow in His Representation

Commission reduction is superficial treatment of an underlying disorder, according to Allan I. Wolff of Chicago, chairman of the executive committee of the National Association of Insurance Agents, who addressed the Illinois meeting at Quincy.

When reduction of the cost of doing business is discussed, Mr. Wolff said, the invariable formula projected is to reduce commissions. The more fundamental issues are ignored, he said. Hidden factors, such as increase in new agents beyond the growth of new business, competition of part timers, solicitors and non-policywriting agents and unworthy brokers is ignored, according to Mr. Wolff.

The agents, according to Mr. Wolff, are not seeking undue remuneration for services rendered. "They stand for a fair field and no favorites, for equality of opportunity," he said. "They are in full sympathy with every constructive effort properly to regulate the operating cost in our business but they submit that too frequently this entire issue is clouded and obscured and can only be properly handled and settled by a thorough knowledge and correct treatment of the fundamentals."

Qualified Agents Not on Trial, Will Win Through

Qualified agents, Mr. Wolff said, are not on trial and will win through. Companies who elect to do their business through the agency system should back qualified agents to the limit, he said.

Mr. Wolff said that the primary function of the agent is to secure for his customers financially sound carriers. This is no time to point the finger of suspicion at institutions, he said, but discrimination should be shown. Many new companies appeared in the boom, some of which have dried up and others are drying up.

Mr. Wolff said that agents should not be easily satisfied with a company that results from a consolidation if the companies involved in the merger were "anaemic and sickly."

Properly to serve the public, agents should use as far as possible those companies which do a general business in an orthodox fashion, he said. Specialty companies and those that thrive by seeking only selective business have a right to existence, he said, but the "sturdy, sound, well managed companies which are satisfied to take their share of the mine run business, asking no aid from their competitors, are surely entitled not only to the whole-hearted cooperation of the agency force but even to preferential treatment."

Mr. Wolff said that the insurance business is too apathetic towards the agitation for unemployment insurance. Mere opposition with no constructive counter proposals will be futile, he said. Consideration must be given to all legislative proposals which appear to be inimical to insurance and to the public interest. Unemployment insurance with its threat of dole should be given immediate attention, he said.

Vice-Presidents Are Reelected



FRANK J. BUDELIER, Rock Island Second Vice-President



J. EDWARD MARTIN, Peoria Third Vice-President

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Councillor-W. U. A. Parley in Sight

R. W. Troxell Says Another Conference Will Be Called Soon

MANY ISSUES TO BE UP

Vacancy Permit to Be Discussed at Session Similar to the One Where Farm Commissions Debated

In reporting as national councillor for Illinois, R. W. Troxell of Springfield announced that another meeting of the national councillors in the west with a committee of the Western Underwriters Association will be held soon.

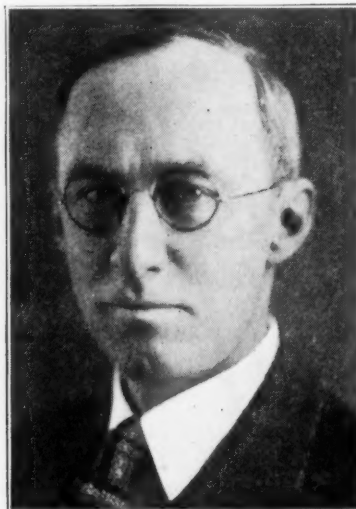
The first such meeting was held about three months ago and the farm question was up at that time. The companies, he said, were sincere in feeling justified in calling for a reduction in farm commissions from 25 to 20 percent. The company representatives, according to Mr. Troxell, did not tell the national councillors that they planned definite action one way or the other, but he pointed out that there has as yet been no change in the farm commission. The reduction was to have been applied Jan. 1, 1933. Apparently some of the other councillors who attended the meeting got the impression that the commissions would not be reduced, for they have been so reporting to their state associations.

Mr. Troxell said that the councillors wanted to present seven or eight other

Pair of Banquet Spoofers



JOHN M. THOMAS
President National Union



ERNEST PALMER
Manager Chicago Board

subjects to the company representatives at the time the farm conference was held. The company committee, however, he said, took the position that they had no authority to take up any other but the farm question. The councillors, however, stated their position on these other subjects, the company men making no comment.

Mr. Troxell said the plan is to have two such meetings a year. He declared that the change in the vacancy permit should be taken up by the national councillors through the governing com-

mittee of the Western Underwriters Association.

Mr. Troxell said at the Philadelphia meeting of the National Association of Insurance Agents there was discussion of the advisability of doing away with national councillors, some leaders feeling that there was a conflict between the national councillor and the president of the state association. Mr. Troxell said that the national councillor is an adviser, subject to call by the National association and a handy man. He endorsed the councillor movement.

Commission Cuts in Casualty Hit

Agent Suffers Most in Arrangement Giving Rebate for Volume

W. H. STEWART'S REPORT

Committee Chairman Sees Hope for Working Out Plan to Correct Chicago Acquisition Cost Evils

Reductions in commission on surety and compensation lines were condemned in the report of W. Herbert Stewart of Chicago as chairman of the casualty and surety committee of the Illinois Association of Insurance Agents. Mr. Stewart was unable to attend the meeting, but his report was read to the convention.

Protest was registered against reduction of depository bond commissions from 30 to 20 percent for the general agent and to 15 percent for brokerage, Mr. Stewart remarked, but was unavailing. He pointed out that under the new scale there is only 5 percent commission for the general agent, which he contended is inadequate.

Mr. Stewart said that the companies are entitled to an increase in compensation rates, but in offering a rebate to assureds on that portion of their premiums which exceed \$1,000, "there is no justification for taking most of it out of the agent's pocket." If the rate is to be

(CONTINUED ON PAGE 39)

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Spoofing Tradition of Illinois Agents' Meeting Again Upheld

By LEVERING CARTWRIGHT

A meeting of the Illinois Association of Insurance Agents without ingenious banquet spoofing just doesn't happen. The spoofing this year consisted in President Rockwood Hosmer introducing John M. Thomas, president of the National Union, in glowing terms. Instead of Mr. Thomas responding, however, with an address, Ernest Palmer, manager of the Chicago Board, arose and delivered himself of oratorical inanities. When Mr. Palmer had subsided, Mr. Thomas arose and declared: "Sometime I hope you will have the pleasure of attending a meeting where the wart is not present and then you will hear a real speech from me."

When Mr. Hosmer was elected president of the Illinois association a year ago, Mr. Thomas wrote him a congratulatory message and offered to be of assistance in any way he could. At the Philadelphia meeting of the National Association of Insurance Agents, Mr. Hosmer recalled this promise and signed Mr. Thomas for an address at the Quincy meeting.

Mr. Thomas drove to Quincy with his Missouri field man, J. C. Chase. His Illinois state agent, I. C. Faber, was also present.

After the banquet a number of conventioners attended a dance, which was given by the students of the Gem City Business College, which is operated by V. G. Musselman, who was in charge of the general committee for the Quincy meeting.

Lyle H. Gift of Peoria attended the meeting en route home from a motor trip to Texas.

In addition to S. Phil Hutchison, who looks after qualification law activities, the Illinois department was represented by Walter Hanson, son of the superintendent, who also has qualification law duties.

The America Fore delegation from Chicago consisted of Secretaries J. H. Macfarlane and E. B. Vickery; J. E. Guy, manager automobile department, and I. D. Goss, manager of the farm department, who addressed the convention.

The casualty company representatives included W. H. Hansmann, Illinois manager, and R. D. Searles of Rock Island, special agent for the Fidelity & Deposit; E. I. Flery, manager Cook county offices, and J. E. Murphy, manager, Royal

Indemnity; H. B. Bale, resident manager in Chicago for the Standard Accident, and W. W. Steiner, resident vice-president for the Globe Indemnity.

W. H. Lininger, western co-manager of the Springfield, sat through all of the sessions with Homer Caldwell of Peoria, state agent for the Springfield.

A. F. Powrie, manager of the Fire Association, was a popular man at the convention. He was an object of admiration, because in playing bridge on the trip from Chicago to Quincy he made five little slams in as many consecutive hands.

In addition to Mr. Musselman, a number of Quincy agents were busy handling arrangements. Macauley Winters was in charge of registration. Will Binkert, Louis Fuelbier and Harry Hofer were among others looking out for the convenience of guests.

Ray Nelson of the Chicago Board looked out for the convenience of Chicago people. His principal task was finding bed and rooms for Chicago people who arrived at 1 a. m. and had not made reservations.

E. D. Lawson, marine manager in the west for the Fireman's Fund, was among the visitors.

S. E. Moisant of Kankakee, secretary of the Illinois association, in addition to giving his own report, was called on to read the report of seven committee chairmen who were not present. The absentees for whom Mr. Moisant substituted were J. M. Newburger, Chicago, chairman budget committee; Harry J. Leach, Morris, organization; Alvin S. Keys, Springfield, legislation; W. Herbert Stewart, Chicago, casualty and surety; Mark I. Hall, Belvidere, farm; J. Raymond Lennon, Joliet, public relations, and A. H. Mauerman, Jr., Danville, automobile.

Alvin S. Keys of Springfield was not able to attend the meeting because he was a witness at Jefferson City, Mo., in the trial of Darby A. Day and J. B. McCutchan, who are before the federal court in connection with their manipulations of the Indemnity of America, with headquarters at Kansas City, Automobile Underwriters of Dallas, Chicago Fidelity & Casualty and other companies.

Henry F. Tuerck, secretary of the Illinois Fire of Peoria, was renewing acquaintances with the Illinois people.

Jarvis W. Mason, advertising counsel for the London Assurance, who addressed the convention, was escorted and introduced to the Illinois agents by J. Lewis Cassell, Illinois state agent for the London.

Lyman M. Drake of Critchell, Miller, Whitney & Barbour, Chicago, is always one of the most serious-minded convention goers. He was on hand during all the sessions and in the front row most of the time.

John J. Hall of the National Bureau of Casualty & Surety Underwriters, in his address, made the interesting statement that more automobiles are stolen than new ones are sold in New York City. That condition exists in Chicago, but the Illinois people did not realize that New York was in the same boat.

J. A. Giherson of Alton decided to be comfortable at the sessions. He brought in a big easy chair, lit his cigar and kept a critical eye on the proceedings.

A. O. Bray, who travels in both Illinois and Missouri for the Central States Fire of Wichita, gave his full attention to his Illinois constituents by attending the meeting.

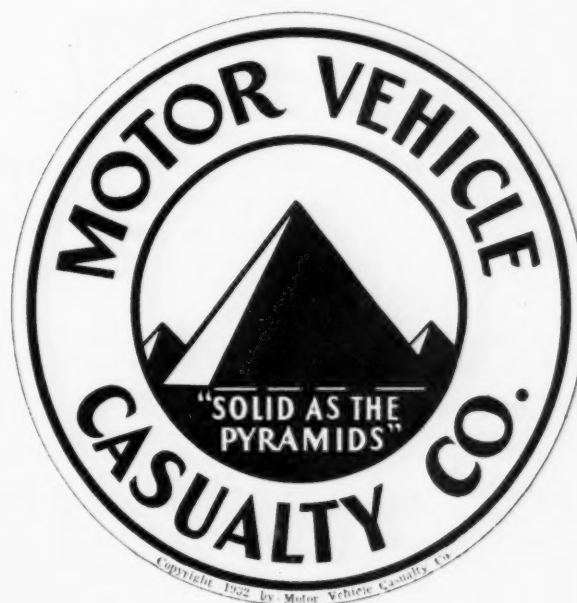
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Conflict Seen in Prevention Work

Giberson Says National Fire Protection Association and National Board Overlap

ALTON AGENT SPEAKS UP

Criticism Offered After Report by C. J. Montgomery as Chairman of Fire Prevention Committee

After Charles J. Montgomery of Rock Island had concluded his report as chairman of the fire prevention committee, James A. Giberson of Alton, who is a provocative thinker about the business, asked whether any of the agents had heard of any conflict of function between the National Fire Protection Association and the National Board in the inspection of cities. No one volunteered to comment and Mr. Giberson did not elaborate except to say that he had found such conflict.

Allan I. Wolff of Chicago, who is chairman of the executive committee of the National Association of Insurance Agents, told a story, the conclusion of which was "Perhaps the less said the better."

Mr. Montgomery, in his report, called attention to the work of the National Fire Protection Association, saying it is a clearing house for all authentic information on fire protection and prevention and individual problems may be submitted to it for solution. Associate membership may be had by the payment of \$10 dues. Such members, he said, would receive the valuable engineering and popular literature issued by the association as well as all regulations which are sent out by the National Board and a list of all new devices and materials inspected by the Underwriters Laboratories.

Endorses the Illinois Firemen's Association

Mr. Montgomery said that the fire prevention committee has investigated and recommends that every place in Illinois belong to the Illinois Firemen's Association, which was organized in 1887 for education of firemen, volunteer as well as paid departments. The association meets once each year for three days for a study of fire prevention and safety measures. Talks are given by people prominent in fire prevention and in the afternoons the delegates are taught the latest in ladder and tower work, first aid and many other evolutions, demonstrations and competitive drills. There is a legislative committee of three to support bills relating to fire prevention and safety. About 400 cities now belong to the association. The cost is only \$4 per year per town and each city is permitted to send two voting delegates and as many other representatives as they desire. Similar meetings

Solomon



A. J. TENINGA, Chicago
Chairman Grievance Committee

A. J. Teninga of Chicago, reporting as chairman of the grievance committee, said that only one question had been referred to the committee and that was about two weeks ago. An agent in Belleville wrote a policy for \$5,500 on a piece of property on which a building and loan association, operated by another agent, had a \$2,500 mortgage. The assured wanted the first agent to have the insurance, but the agent, who operates the building and loan association, insisted on writing enough of it to cover the loan and suggested that the first agency write the excess. This arrangement seemed fair to the grievance committee, Mr. Teninga said.

Letters From Gubernatorial Candidates Read by Hosmer

The letters from the two candidates for governor in Illinois citing their position as to the insurance department were read to the convention by President Rockwood Hosmer. The information about these letters was published in THE NATIONAL UNDERWRITER last week. Both candidates pledged themselves to invest the insurance department with more power and give it greater independence. The Illinois chamber of commerce has been agitating for the divorce of the insurance department from the department of trade and commerce.

are carried on at least once a month at various points in the state.

The Illinois State Fire Prevention Association, Mr. Montgomery said, co-operated with local groups in holding inspections and educational campaigns in Danville, Dixon and Charleston.

Mr. Montgomery urged every member of the association to have his city entered in the interchamber fire waste contest. In 1931, he said, only 29 cities in Illinois were entered.

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McAuliffe Gives Glimpse of Fire Fighting

Chief Frank C. McAuliffe of the Chicago Fire Insurance Patrol said that firemen have always had a high respect for insurance companies and insurance men, who have often stood between the firemen and demoralization of the department by politicians. Likewise, the fire insurance interests have promoted better construction and better fire fighting equipment.

Finds That Carriers Are Fair in Their Criticism

The chief said that mistakes are frequent in fire fighting, but never are they due to inertia. The mistakes are usually caused by fearlessness and haste in competition between fire companies. Insurance companies, he said, are fair to the fire fighting forces and are fair in their criticism. For instance, he pointed out that in a recent big fire in Chicago, where criticism would have been thoroughly justified, the Chicago Board was charitable. Apparently the chief was referring to the destruction of the Omaha Packing Plant and the Burlington elevator on the near south side.

Chief McAuliffe mentioned that the creation of salvage corps came about because of the water losses and that there are 21 salvage corps in the United States. Now the insurance companies are showing how municipally owned salvage corps can be set up and he said the insurance companies will not put in any new corps of their own, but will keep up the present ones.

Modern Fireman Must Be Well Informed

In the early days, men of exceptional physical ability were required in fire fighting, he said. They had only one day off in six, whereas the firemen today have every other day off. Accordingly in the old days the firemen had



FRANK C. McAULIFFE
Chief Chicago Fire Insurance Patrol

more experience. Their ability to take punishment compensated for their lack of equipment, he said. The firemen today should have a vast knowledge including information about prosecution of arson, safety work, etc.

Leach Sends Report

The membership committee held no meetings during the year, according to its chairman, Harry J. Leach, of Morris, who submitted his report but was not present. Every county, he said, should have an insurance organization affiliated with the state and national organizations. These associations, he said,

should advertise regularly and promote the notion that it is common sense to "insure with an insurer," who is a member of the state and national organizations. This message, he said, should be proclaimed in letterheads, newspaper and signboard advertising. The public should be told that an insurer writes good insurance, sound insurance and is always willing to give service whether or not he wrote the original policy. Mr. Leach said claim service and road advice should be extended, there should be hookups with garages so that it will be possible for them to patronize such agents. If this is done, he said, the motor clubs will be pinched.

Eight Directors Attend Night Session of Board

Those attending the board of directors meeting the evening before the convention were R. W. Troxell of Springfield, chairman; Rockwood Hosmer, president of the association; S. E. Moisant, secretary of the association; Frank J. Budelier, Rock Island, second vice-president; J. Edward Martin, Peoria, third vice-president; A. J. Teninga, Chicago, chairman grievance committee; C. J. Montgomery, Rock Island, chairman fire prevention committee, and V. G. Musselman of Quincy, chairman of the local board committee.

Hall Wires Report

Mark I. Hall of Belvidere wired a brief report as chairman of the farm committee. He said that the farm agent should cooperate to reduce coverage to comport with present day values and to eliminate moral hazard. He expressed objection to commission reductions. The expenses in the farm business, he contended in his message, are higher than in any other branch of the business.

Frank H. Newman, underwriter at the New York office for the General of Paris, was in Chicago this week.

Groundwork Is Laid for Local Board Extension

A program for the systematic organization of the state into local boards has been conceived and should be carried out with the idea of completion in two or three years, according to V. G. Musselman of Quincy, who reported as chairman of the local board committee. The local board committee, Mr. Musselman said, realizing the need of a larger number of active boards and feeling that they should include agents in surrounding territories, has been working on a survey throughout the state. Questionnaires were sent to organized boards and to prominent agents. The communications requested information as to the names of agents who would be interested in local boards and other information that would be necessary for the forming of board districts.

Plan District Centers to Render Assistance

When the questionnaires were returned, they were sent to the board of directors with the suggestion that the state be districted with each large community in a key position, the board in each district to have supervision over the forming of secondary boards in that district. The local board committee, he said, has not proceeded past this point but the plan is to continue and develop district centers so that they can assist in smaller territories in the formation of working boards.

Work of this kind is slow unless paid organizers are used but the budget is not adequate to pay for such workers and it will have to be done on a voluntary basis, he said. In the next two or three years these districts will be organized, he predicted, and new boards will be formed from time to time.

R. I. Read, manager at Chicago for the Crum & Forster companies, was much in evidence.

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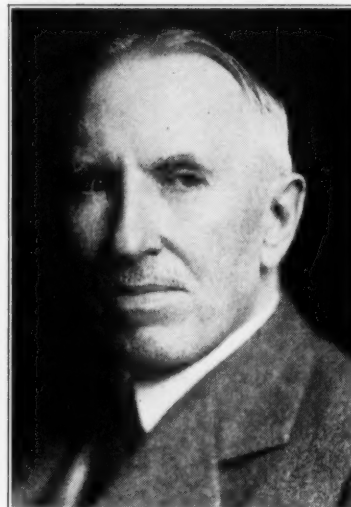
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I. D. GOSS
Farm Manager America Fore

President Scans Current Problems

(CONTINUED FROM PAGE 30)

"A risk is not a good risk if you don't get the premium," he declared.

The major legislative objective for the coming year, Mr. Hosmer said, should be further strengthening of the qualification law and enactment of an automobile driver's license law. These matters, he declared, are in the hands of the legislative committee and will be given every possible attention.

Active enforcement of the qualification law was started during the year, Mr. Hosmer observed. "Our insurance department," he said, "is trying to enforce this bill fairly and in the spirit that no one justly entitled to engage in the business shall be excluded from his means of livelihood and that no one not so situated may creep in."

Compensation Program Presented Big Problem

In August, the compensation program presented a problem that might have become disastrous to companies and agents alike, he said. If risks for compensation had been arbitrarily and immediately increased on existing policies, as proposed, the unfavorable reaction to stock company insurance would have been frightful, according to Mr. Hosmer. "Fortunately," he said, "our insurance department could not see why the merchants and manufacturers of our state should be placed at a competitive disadvantage with those of surrounding states and he was able to induce the companies to withdraw their demand."

Mr. Hosmer said that the commissioners have given careful and wise treatment to the question of security valuation. "It behooves the agency forces," he said, "not to 'rock the boat.' Sell your insurance on the basis of what you have to offer, not on the basis of what terrible shape you imagine your competitor is in."

Mr. Hosmer paid tribute to Allan I. Wolff of Chicago, the new chairman of the executive committee of the National Association of Insurance Agents. He said that the problem of production branch offices has become increasingly difficult and if allowed to continue unchecked will be disastrous to the agency system. The small town agent as well as the large city producer will eventually encounter this result. The conference committee of the National association has the matter in hand Mr. Hosmer reported, and it is being watched closely.

Agents Asked to Offer Farm Cure

(CONTINUED FROM PAGE 29)

which have expired before their friends were willing to realize the gravity of the crisis."

Forty percent of the local agents are showing a serious desire and making an earnest effort to carry out the underwriting program which leads them to the land of promise, he said. The other 60 percent, he declared, is making little or no effort to understand or conform with this necessary underwriting program. Every day they are recommending over insurance to their companies, ignoring the constant appeal of their companies which is being made "with the magnanimous motive of bettering the business for the good of all."

"The 60 percent," Mr. Goss declared, "continue to argue and resist and to offer excuses, making claim that assureds refuse to recognize the radical decline of values, when in many cases the assureds have never been consulted and the ruling motive is that of a larger premium and a more attractive commission. Agents who follow this course personify shortsightedness."

Awful Example of Awful Underwriting

"There has been much comment on the subject of proposed reduction of agency commissions. My own thought and preference on this subject is not material. The true solution should rightfully hinge on the question of how much commission is actually being earned. There are those who know in their hearts that the quality of service rendered to their companies is worth less than the present commission scale. How much less? That is something that each man can best answer for himself. An agent who is eminently successful for himself and has made a fine record for his companies, told me the other day that in his opinion many local agents earn less than 10 percent when measured by the service rendered. The value of any service must be determined by the results growing out of such service. I ask any local agent, if he had a man in his employ for any kind of work whatever and as a result of this work the ledger showed a loss at the end of every year, what would you estimate to be the compensation to which that man would be entitled? That is just what is happening as a result of the activities of many agencies and I have not failed to note that those

who have given least in results are often the ones to demand most compensation."

As an example, Mr. Goss told of a loss, wherein the adjuster found the description shown in the application and the building destroyed were not the same. "Evidently," Mr. Goss said, "the agent picked out the wrong risk as the building destroyed bore no resemblance to that described in the application. Here we have an extreme case of agency inefficiency and unconcern. Who will say what the service of that local agent was worth?"

Agents who show light regard for the fact that they are binding their companies for thousands of dollars by the stroke of their pen become unprofitable servants and are not worthy of their hire, he said.

"If you choose to say that the company shall not reduce commissions," he said, "I respectfully ask you what you

elect to offer as a relief measure in lieu of such reduction. It is obvious to everyone without exception that some relief must be found. If it is denied in one direction it should, in fairness, be provided in another."

Response to Drive at First Was Encouraging

Mr. Goss said he would rather pin his trust to an underwriting program of the agents conceived in good faith and undertaken with sincerity of purpose than in reduction of commissions. But, he said, local agents have not come forward to champion such a program. "Will any man," he said, "come forward in any one of our states to head up such a movement? That I do not know, but I do know that right here is found the greatest possibility for a genuine service to the farm business. It does appear that there is a bit of inconsistency in showing opposition to a

moderate downward revision of the commission scale unless a substitute relief measure such as that just suggested or some other is offered."

In the early months of the drive to bring about a readjustment of farm liability to present physical and utility values, Mr. Goss said he was heartened by the signs of recognition and cooperation within local agency circles. There was prompt and vigorous response to the first appeal for a new deal. The faithful workers who came forward then have persevered and many of them have transformed the record of their territory, he said. But as the campaign progressed, it developed that there were two divergent agency camps, according to Mr. Goss. The conformists were working for a better day for the business and the nonconformists clung to the old order and by persisting in this course have been and still are

endangering the existence of the farm insurance business.

Last year, Mr. Goss recalled, the stock companies wrote a little more than \$10,000,000 in farm fire premiums in the western department territory and paid \$9,500,000 in losses. The Iowa fire marshal said the other day, according to Mr. Goss, that the rural fire losses in his state for the first six months of 1932 were equal to the losses for all of 1931. The year 1932, he said, is certain to stand out as one of colossal misfortune for the companies operating in the field. Without a radical upturn, he said that the farm business will not have more than three more years of life. The companies cannot continue to display spartan courage and swallow millions of dollars of loss.

The companies, he said, are in some degree responsible, since in the prosperous days they were greedy for volume and inspired the agents to seek volume.

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**Rockwood Hosmer
Again President**

(CONTINUED FROM PAGE 20)

plained partly by hard times and partly by the fact that the meeting place was not conveniently located for agents in many Illinois cities.

The comparatively few who did attend, however, were repaid with a diversified program. The conviviality, for which the Illinois association is noted, was again manifest and the famous Illinois wits, not the least of whom is President Hosmer, kept the sessions punctuated with humor.

**Clause Reducing Coverage
For Vacancy Criticised**

The most significant action taken at the meeting was adoption of a resolution criticising the clause reducing insurance by one-fourth in the event of vacancy, which is now required in policies covering risks in unprotected localities. R. W. Troxell of Springfield, in his report as national councillor, declared that this clause was objectionable. In the near future, he said, George W. Carter of Detroit will call a meeting of the national councillors in the western states with the conference committee of the Western Underwriters Association. At that time, he said, the three-fourths value clause will be on the agenda, as well as seven or eight other topics, which the W. U. A. committee did not discuss at the meeting some months ago of agents and western company officials at which the question of farm commissions was discussed.

The clause was also discussed the evening before the Illinois meeting at the session of the directors. It seems that the objection emanates from building and loan associations, which feel that their interests as mortgagees would be affected where the amount of the insurance carried is no greater than the mortgage. In the event of loss in such a case, where the clause applies, the building and loan associations point out that they could not recover enough to cover their interest.

Most of the Illinois agents do not object to a 60 or 90 day vacancy clause,

Banquet Speaker**W. N. ACHENBACH**
Western Manager Aetna Fire

A message of confidence was brought to the Illinois Association of Insurance Agents, after the banquet by W. N. Achenbach, western manager of the Aetna Fire.

"The very intensity and prolongation of this depression," Mr. Achenbach declared, "furnishes ground for the belief that the recovery, signs of which are now in evidence because here and there a man has dared to venture, and subsequent prosperity will be longer than any we have had before and that the heights this country will achieve in the future will outdistance all previous records."

for which a consideration would be charged.

The board of directors, who were in session for four hours, discussed among other things, automobile loss experience in Illinois, advertisement on the part of a Texas company of fire insurance rates

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20 percent off, and the question of admitting to membership in the Illinois association Wilbur Glenn Voliva's agency in Zion, Ill.

The most important addresses from the point of view of the insurance business were those of Charles R. Street, vice-president and western manager of the Great American, and I. D. Goss, farm manager in the west for the America Fore companies. Mr. Street caused interest in his criticism of the Illinois agents qualification law. He said agents and companies alike should seek to eliminate irresponsible agents, whether they be full-timers in Chicago or side-liners in Red Bud, Ill. He said there are too many companies in the field, even though much of the capital, which was added in the boom years, has been absorbed.

Mr. Goss made some hard hits in his treatment of farm insurance problems, but he has a diplomatic and metaphorical method of expression, so that his remarks were accepted in good grace and the agents seemed to be impressed with the justice of his position.

Asks What the Agents Offer in Lieu of Cut

His speech was built around the question: "If you choose to say that the companies shall not reduce commissions, I respectfully ask you what you elect to offer as a relief measure in lieu of such reduction?" What Mr. Goss called for was an offer of sincere cooperation on the part of the agents in support of a constructive underwriting program with such features as will insure a better deal for the farm business.

The morning session started with the address of President Hosmer, who arose from his slumbers at six o'clock that morning to prepare it. Because it was prepared under pressure at the last minute, it had much spontaneity. Mr. Hosmer is businesslike as well as witty. He banged the gavel a few times and then started off, although many members were still loitering outside the hall. He gave his address in rapid fire fashion.

Mr. Hosmer recommended further strengthening of the agents qualification law and adoption of an automobile drivers license law in Illinois. He mentioned that the beginning of active enforcement of the qualification law has been witnessed during the year. He said the department is attempting to enforce the bill fairly. He also commended the Illinois department for inducing the companies to withdraw their demand for applying compensation rate increase immediately on existing policies.

Seven of Ten Chairmen of Committees Absent

The reports of the various committees followed, beginning with Secretary S. E. Moisant. Seven of the committee chairmen were absent and Mr. Moisant was called upon to read the reports which they had submitted. He reported for J. M. Newburger of Chicago, chairman of the budget committee; Harry J. Leach, organization; Alvin S. Keys, Springfield; W. Herbert Stewart, casualty and surety; Mark I. Hall, farm; J. Raymond Lennon, Joliet, public relations, and A. H. Mauerman, Jr., automobile.

The committee chairmen who were present and delivered reports were A. J. Teninga of Chicago, grievance; Charles J. Montgomery, Rock Island, fire prevention, and Mr. Musselman, local board.

(CONTINUED ON PAGE 40)

Commission Cuts in Casualty Hit

(CONTINUED FROM PAGE 32)

graded according to volume, according to Mr. Stewart, the reduction should be shared equally by the company and agent. The Illinois Association of Insurance Agents, he said, should be aggressive in its opposition to a graded commission plan, whereby the agents stand most of the cut.

Speaker Is Introduced as One Way Street

Introducing C. R. Street, vice-president and western manager of the Great American, President Rockwood Hosmer said he is known in Chicago as "One-way Street and always the right way."

Before starting his prepared address, Mr. Street made a few impromptu remarks. He said that when he sees something going wrong in the business, he has little control of his temper and is compelled to speak out. However, he contended that he is essentially bashful and as proof said that he has receipts for nine sets of dancing lessons that he never used.

* * *

A telegram of greetings was received from Superintendent Harry Hanson of Illinois from Galveston, Tex., where he was attending the annual meeting of the National Convention of Insurance Commissioners. The telegram was read by R. W. Troxell of Springfield, the national councillor, who paid tribute to Mr. Hanson, saying that he hasn't been actuated by political considerations and is "the cleanest official who has been in the department in many years." Mr. Hanson has a broad viewpoint, according to Mr. Troxell.

Mr. Troxell said that he had planned to read the letters from the two candidates for governor, pledging themselves to increase the prestige of the insurance department, but that President Hosmer had stolen these letters, so that he could read them himself. Mr. Troxell said, however, that he had hidden the Hanson telegram from Mr. Hanson, where Mr. Hosmer couldn't find it.

* * *

J. M. Newburger, Chicago, who was to have reported to the convention as chairman of its budget committee, was absent because of illness. He submitted his report, however, which was read at the convention.

* * *

A. H. Mauerman of Danville was not able to attend the meeting, because he had just become a father. President Rockwood Hosmer suggested that the child be named Quincy Mauerman. Mr. Mauerman was to have reported as chairman of the automobile committee. Apparently his domestic situation interfered with the preparation of a report and none was submitted.

* * *

The Motor Vehicle Casualty of Chicago was represented for the first time at an Illinois meeting. President C. L. Garnett, Vice-President O. Shephard and C. C. Austin, special agent, were on hand and established headquarters. They found many friends among the convention goers.

* * *

The nominating committee consisted of Mr. Musselman, chairman; William Booth of Springfield, and Mr. Gift. The resolutions committee consisted of W. A. Schneider, Kankakee, chairman; Lyman Drake, Chicago; Max E. Freiberg, Quincy, and Allan I. Wolff, Chicago.

Chicago Agents Assessed

In order to overcome a deficit, the Chicago agents responded to an assessment to the extent of \$600 for the Illinois Association of Insurance Agents, it was reported.

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We want to serve you in emergencies.

When you are having trouble with an important risk, we want to help you with it.

Write and tell us your problem. If we help you, give us the risk.

We have been local agents for many years. We meet the same problems you do and our experience should be valuable to you.

We are General Agents in Illinois for both Fire and Casualty companies.

All the service you could possibly want in both fields, is available in one office by a well trained, successful organization.

If we serve you well in big things you may want us to handle the smaller ones, too.

Try us soon. It may be well worth your while.

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General Agents.
Large, well known companies.

CASUALTY FIRE
Insurance Exchange, Chicago

Illinois Casualty Company

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SPRINGFIELD

ESTABLISHED 1916

Leading Illinois Company
writing all Automobile Risks
in One Policy

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PART OF SAFE AND
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EMPLOYERS REINSURANCE CORPORATION

E. G. TRIMBLE, President

Sills Heads Oklahoma Association

Qualification Law Arouses Interest

Small Attendance at Oklahoma City Offset by Spirited Discussions

BRANCH SUBMITS REPORT

Earp Tells of Difficulties Faced by Association—Van Schaick Speaks at Joint Luncheon

NEW OFFICERS ELECTED

President—V. V. Sills, Ponca City.
Vice-President—J. A. Frates, Jr., Tulsa.
Secretary—Mott M. Keys, Oklahoma City.
Executive Committee—E. W. Clarke, chairman, Oklahoma City; Ralph Franks, Duncan; E. R. Ledbetter, Oklahoma City; George MacCurdy, Tulsa; J. R. Peller, Lawton, and Ralph Tate, Ardmore.

By R. J. McGEHEAN

The election of V. V. Sills, Ponca City, as president and exhaustive discussions of the proposed agents' qualification law and the workmen's compensation situation, featured the Oklahoma Association of Insurors' annual one day session in Oklahoma City last week. Although the attendance was not up to standard, something was happening every minute of the six hour session.

President Earp Relates Financial, Membership Difficulties

The great difficulties which the Oklahoma Association of Insurors experienced during the past year in maintaining its financial standing and membership were related by President Ancel Earp, Oklahoma City, in his annual report.

The decrease in premiums and extreme difficulty in making collections accounts for the great shrinkage in membership, he said. In addition to the decreased premium volume due to business conditions, the political situation involving compensation insurance forced many compensation carriers from the state, consequently reducing the premium income to the agents and companies by hundreds of thousands of dollars. The association has faced a constant threat in the last two years of vicious legislation "which would strike at the very foundation of your established business, producing disorder and chaos."

Many Improvements Yet To Be Made by Agents

In relating the activities of the association's officers, Mr. Earp said: "We have filed many complaints and cleaned up many distasteful illegal plants and exposed a few cases of graft. There are yet many improvements to be made and unless we, as agents, improve our machinery for enforcing and administering our insurance laws, we can never hope for a proper solution of our problems."

Mr. Earp asked that the convention take definite action regarding financing the state secretary's office. At present the secretary spends 60 percent of his time on state work and and 40 percent for the Oklahoma City board, while his

(CONTINUED ON NEXT PAGE)

New and Retiring Presidents



V. V. SILLS, Ponca City
President Oklahoma Association



ANCEL EARP, Oklahoma City
Retiring President

Lack of Cooperation Creates Hardship for Oklahoma Group

The momentous struggle to keep the affairs of the Oklahoma Association of Insurors on the upgrade was told by Secretary Mott M. Keys in his annual report. In addition to the general decrease in premium volume in September, there has been a decided lack of consistent cooperation, due in a large measure to the deplorable political situation and the attitude of the state administration toward insurance, said Mr. Keys. He related the discouraging results of the three regional meetings which were held, due to lack of interest. Mr. Keys told of the complete failure of the membership campaign based upon the New York plan, which has proven successful in practically every state in which it has been tried but failed in Oklahoma due to the lack of cooperation.

Recommends Organizing County Insurance Boards

As a solution of the membership problem, Mr. Keys recommended the organization of county insurance boards by which the 77 counties would guarantee the state association a minimum of \$50 each. At a joint meeting of the Tulsa and Oklahoma City boards last June money was pledged to aid the program of organizing the county leagues and to date nine counties are so organized. "It was our thought and purpose," said Mr. Keys, "in establishing such county organizations, to visualize the need and mold the thought for the protection and preservation of the local agents' very existence."

The difficulties encountered in the attempt to stop the two bankers associations in Oklahoma from writing burglary protection on their members were aired by Secretary Keys. Mr. Keys filed complaints against the association with the state insurance board and asked it to cancel the licenses on the ground that the association was not engaged actively in the insurance business, but the board refused to give any satisfaction.

In discussing the proposal for the agents' qualification law, Mr. Keys said that nothing can be accomplished until

a non-political, competent examining board is established to license agents. He said nothing can be gained by eliminating a few part-time agents if the state insurance board continues to grant agents' licenses to those who pay \$3, regardless of whether they have even seen an insurance policy before.

The successful efforts to take building and loan societies out of the insurance business were related by Mr. Keys. He also mentioned a number of evils which have been eradicated. He reported the loss of 100 members and total outstanding indebtedness of the association as \$690.

Priest Points Out Value of National Association

At the Oklahoma Association of Insurors' annual meeting in Oklahoma City last week, Frank T. Priest, Wichita, Kan., National Association of Insurance Agents councillor, told of the organization's great value to the local agent. He outlined the outstanding accomplishment of the association in maintaining the American agency system and told of the accomplishments of the company-agents conferences.

Points Out Inconsistency of A. T. & T. Advertisements

Mr. Priest called attention to the recent advertisement of the American Telephone & Telegraph Co., advertising a mutual company, and said it was inconsistent for a great capitalistic corporation to promote the interests of a big mutual institution.

"I have never been able to understand," said Mr. Priest, "why an insurance agent should sell protection to the public and not buy policies of insurance against the dangers of the future in the National Association of Insurance Agents." Mr. Priest emphasized the importance to agents of checking the extension of branch offices even to those in small towns.

Clarke in Strong Appeal for Action

Stirs Session with Call to Arms to Meet Current Problems

FRANK T. PRIEST TALKS

Spirited Discussion on Solving Compensation Problems Is Led by Joe Frates of Tulsa

The afternoon program of the Oklahoma Association of Insurors annual convention produced another Percy Goodwin, in the form of E. W. Clarke, president Oklahoma City Association, whose fiery talk was the outstanding feature of the program. Mr. Clarke is small of stature but every bit a fighter. He sounded the call to arms of all Oklahoma agents to come forward immediately and join in the coming legislative battle to obtain the qualification law and to adjust the compensation situation in Oklahoma.

The small attendance of Oklahoma City members chagrined Mr. Clarke. Especially since serious problems were up for consideration. "Up until a year ago," he said, "my activities in association work were very limited but the many increasing problems we have to confront these days awoke in me the realization of need for a powerful organization to combat them."

Condemns Lack of Interest in Welfare of Business

"Any man who cannot give one day a year to his association, to his own business, his own survival and existence is to be severely criticized. At various luncheon clubs throughout the year I encounter numerous insurance men who are 'not here today.' They are trying to solve the problems of their communities but how about their business? Does it matter if one of our most important lines has been taken out of our agencies, thus eliminating a very profitable line? From the attendance I would say it does not."

"I am a great admirer of Percy Goodwin and his plans for leading the insurance agent out of the mist and I am going to back him and fight my battle in Oklahoma along his modus operandi. If everyone in this room will do the same the insurance business is going to be elevated and placed on the proper plane which it so deserves."

Urges Agents to Organize All Insurance Men for Fight

Mr. Clarke outlined a number of evils which are being encountered and all through his talk sounded the trumpet of battle to the agents of the state in uniting in these conquests. He urged the agents to go out into their various counties and enlist the outstanding insurance men to organize and assist in the important legislative matters at hand. "The necessity of a concerted drive is apparent and just think what all the insurance men and their friends in Oklahoma could do if they were all united into one. The vote seeking candidate would most certainly consider the wishes and desires of the insurance man could he see the voting power that they could amass if united for one purpose."

(CONTINUED ON NEXT PAGE)

THE OKLAHOMA ASSOCIATION OF INSURORS

has demonstrated its loyalty by the fight it has made on behalf of agents to uphold the principles of the National Association.

Membership in the Oklahoma Association of Insurors is advantageous and worth-while for all Oklahoma agents.

Composed of 297 members controlling 90% of the state's insurance business.

The Prudential Fire Insurance Co.

OF OKLAHOMA CITY



"A Company Founded by Pioneers"

Writing

Fire,
Tornado,
Automobile
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All policies unqualifiedly guaranteed by the Liverpool and London and Globe Insurance Company.

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Clarke in Strong Appeal for Action

(CONT'D FROM PRECEDING PAGE)

The workmen's compensation situation was thoroughly aired in a discussion led by Joe Frates, Jr., Tulsa, who reviewed the state of affairs and offered his solution. At present, he said, compensation rates are too high for the employer in most cases and even with the high rates companies will not accept the business because of the sorry experience they have been having on it.

Commission's Liberal Awards Source of Compensation Trouble

"The industrial commission of Oklahoma which makes the awards on these claims is the real source of all the trouble," declared Mr. Frates. "They have been digging up causes for claims as far back as 1922 and awarding the claimants exorbitant sums in settlement. The agents of Oklahoma have lost a very lucrative piece of business through the situation on compensation and we must do something to restore it to our agency equipment."

Mr. Frates suggested the organization of an Oklahoma company similar to the Texas Employers Insurance Association, a reciprocal to handle all compensation business, pointing out the record made by the company in Texas. This idea received considerable discussion but was voted down because it would only add more competition for the companies now in the state. Consensus of opinion was for abolishment of the authority of the industrial commission in settling claims and to restore these matters to the district courts of the state. These agents maintain would eliminate the major problems encountered on this coverage.

Associated Industries Seek to Eliminate Commission

President Ancel Earp then told the convention that the Associated Industries are planning to back a bill to eliminate the industrial commission from deciding various problems of this nature. It was agreed it would be a good idea to join forces with this group.

William Murdoch, former secretary of the insurance board, stated that the association should come out individually and demand court decisions instead of the "wanton judgments" of the state commission. This was agreed on and will be placed before the executive committee.

Governor Murray's idea of a state fund to cover compensation was ridiculed by the delegates to the convention. Their contention is that with state affairs in the condition they are in at present government has no place in the insurance business.

Short Educational Program by Cansler and Stickley

The educational program planned for the afternoon session was cut short due to a limited amount of time left after the lengthy compensation discussion.

Charles Cansler, Enid, gave a short talk on fidelity bonds and burglary insurance. In the discussion which followed, C. E. Stickley, Oklahoma City, cited the inability of an individual to obtain a depository bond because of the tendency it might have to start a run on the bank.

W. F. Stahl, Tulsa, who attended the morning session, was called suddenly back to that city and was unable to lead his discussion on "Reduced Commissions," which was eliminated entirely. "Cut Rate Companies," a subject assigned to M. E. Williams of McAlester, was also eliminated due to the inability of Mr. Williams to attend.

V. V. Sills, Ponca City, newly elected president, gave a talk on automobile insurance and mutual competition. He told some interesting methods of obtaining automobile business.

The message from the National Association of Insurance Agents was given by Frank T. Priest, Wichita, Kan., na-

tional executive committeeman. He was presented with the membership cup which his state won back from Oklahoma this year. He then delivered a stirring message on the National association and the many services it provides agents.

J. R. Peller, Lawton, led a discussion on "Collection Evils" which provided plenty for the assemblage to talk about.

Qualification Law Arouses Interest

(CONT'D FROM PRECEDING PAGE)

entire expenses are paid by the Oklahoma City board, which is a hardship to the local board and is creating unfavorable reaction.

Secretary Keys gave his financial report and outlined the functions of his department. Many undesirable agents were eliminated through the efforts of the association. Mr. Keys also ferreted out a lot of valuable information to be used in the forthcoming fight for a qualification law.

After the official reports, the balance of the morning was devoted to discussion of the draft of the agents' qualification law which will be presented at the next legislative session. R. W. Branch, Tulsa, reported for the committee which prepared the measure and told how an exhaustive study was made of qualification acts passed in other states. The points most applicable to the Oklahoma situation were incorporated into the proposed measure so that every point that might arise in licensing agents is covered. An important feature is the provision for a fee which will more than provide the state with enough to finance a separate department to handle nothing but licenses.

Granting of Licenses Likened to Slot Machine

The activity of the present state insurance board in granting licenses was likened to a slot machine by Mr. Branch, who stated that, "You put three dollars in this end and a license drops out the other end." He did not place the blame entirely on the board, explaining that the lack of funds and adequate help for the department were the most serious obstacles.

In 1931 there was in excess of \$17,500,000 paid in the state in fire and casualty premiums, a tremendous figure and surely large enough to warrant the placing of the business in the hands of competent agents.

"The legislature must be convinced that the public is to be the greatest beneficiary in the passing of such an act if it is to be passed," stated Mr. Branch. "Convince every legislator of the amount of money wasted annually through the improper handling of insurance matters through ignorant agents and the passing of the bill is assured," he concluded. A resolution was passed and all attending agents pledged themselves to preach the true value of the law to everyone contacted.

Superintendent Van Schaick Addresses Joint Luncheon

In a general discussion following Mr. Branch's report many features of the bill were brought out by M. B. Breeding, R. M. Eacock, Joe Frates, Jr., Ralph Tate of Ardmore and Jack Adams of Oklahoma City.

At the joint luncheon with the Oklahoma City Chamber of Commerce, attended by more than 400, Superintendent George S. Van Schaick of New York spoke. Mr. Van Schaick, who had been attending the insurance commissioners annual convention in Texas, flew from Galveston to Oklahoma City in order to address the joint luncheon.

Mr. Van Schaick pointed out the absolute dependence of the public on the institution of insurance. There are more than 21½ billions of assets distributed among insurance companies

and over 340 billions of insurance in force, he stated. He further pointed out the importance of the commissioners to the business in supervising the activities of all of the members of the insurance fraternity.

If every Oklahoman had heard Mr. Van Schaick's version of the qualification law there is little doubt but what the bill would be passed without difficulty. The state of New York passed such a law at the last session of legislature and it was enforced on July 1. There has already been a noticeable improvement in the type of agent in that state. Mr. Van Schaick stressed the necessity for the public to place its insurance problems in the hands of competent and well qualified agents. The over production of agents at present, he believes, will eliminate the weaker to a large degree. In other words the agent who knows his business has little to fear but the many unqualified insurance men are certain to pass. In conclusion, Mr. Van Schaick was very optimistic in his predictions for a general upturn in business during the coming year.

Resolutions Adopted

In its resolutions the Oklahoma Association of Insurers declared itself in favor of an agents' qualification law. Members were urged to exercise their influence with legislators and show them the desirability of such a measure. The Oklahoma association also declared itself in favor of any workmen's compensation program that will alleviate the critical situation which exists.

New England News

(CONTINUED FROM PAGE 27)

highway accident record and urged the agents to cooperate.

Charles L. Gandy, of Birmingham, Ala., president National Association of Insurance Agents, was given a real ovation and in graceful southern fashion acknowledged the hearty reception given him.

There were about 100 in attendance.

Colwell Relected President

Rhode Island Association Holds Annual Meeting at Providence—Gandy and Cole Speak

Paul A. Colwell was reelected president of the Rhode Island Association of Insurance Agents at its annual meeting at Providence last week. Albert A. Edmonds was reelected vice-president and George I. Parker, secretary-treasurer. Mr. Colwell was also reelected national councilman.

The guest speakers were President Charles L. Gandy of the National Association of Insurance Agents, Edward J. Cole of Fall River, Mass., and A. B. Gile of Hanover, N. H. Mr. Gandy spoke on "The Obligations of the Insurance Agent."

In his annual address President Colwell told of the difficulties in maintaining the membership which is now 88. He said all agents representing co-operating companies should be members and with a larger membership the association's work would be more effective.

Dorsey Is Vermont President

Rutland Man Heads Agents Association
—H. A. Plumb New Vice-President
—Chairman W. H. Wells

Stephen C. Dorsey of Rutland, Vt., was elected president of the Vermont

Sidelights on Oklahoma Agents' Annual Meeting

To the little city of Lawton goes the honor of best attendance. Out of eight members of that local board five attended. One member is confined to a hospital while the remaining two were in attendance at a government contract letting at Ft. Sill adjacent to Lawton.

* * *

The citizens of Oklahoma City turned out in large numbers to the luncheon at the chamber of commerce where Superintendent Van Schaick of New York was the featured speaker. The meeting room was filled to overflowing and the message from Mr. Van Schaick was highly commented on. More of these meetings would soon have the public educated as to what the insurance business amounts to.

* * *

W. P. Robertson, Chicago, assistant manager North America, just missed his third consecutive Oklahoma meeting by arriving too late in the afternoon.

* * *

George E. Lackey, T. E. Braniff and Jack Adams formed the entertainment committee for Commissioner Van Schaick, showing him the many sights around Oklahoma City. The metropolitan air and the adjacent oil fields brought comment from Mr. Van Schaick.

* * *

Sam H. Stewart, Oklahoma City, general agent, was much in evidence around the meeting. He is an ardent worker for the association and is always looking for members.

Association of Insurance Agents at the annual meeting in Burlington. The new vice-president is Harry A. Plumb of Brattleboro; secretary, Mary Louise Milo, St. Albans. The new chairman of the executive committee is William H. Wells of Bennington.

Attendance was about 75 and it was representative. Charles L. Gandy, president of the National Association of Insurance Agents, was the featured speaker and impressed all with his earnestness.

The meeting was held at a country club outside of Burlington. Inclement weather interfered with golf.

Violators Are Called on to Live Up to the Rules

NEW YORK, Oct. 26.—Member companies of the Eastern Underwriters Association that have been paying excess commissions on business in ordinary territory throughout the Boston area have been sharply reminded of the violation, and given until Nov. 1 to bring their practices into line with organization rules. The commission in the Boston suburban field, as in all other sections of ordinary territory, is 15 and 25 percent, or 20 percent flat, a regulation that according to common understanding has been more frequently breached than observed. The situation has now become such that a showdown is demanded.

Litchfield Made President of Massachusetts Brokers

BOSTON, Oct. 26.—Everett S. Litchfield of Obion, Russell & Co., who is beginning his 30th year in the insurance business in Boston, was elected president of the Insurance Brokers Association of Massachusetts at its annual meeting.

Collins Graham presented John F. Masters of Boston, who has served as president for four years, a black walrus traveling bag in behalf of the association.

Other officers elected are: L. K. Snyder, Collins Graham, C. E. Deland, H. D. Broderic and H. B. Frost, vice-presidents; George M. Neily, secretary-treasurer. The new executive council is composed of J. F. Masters, F. S. Chapman, W. E. Cherry, R. F. Paul,

T. P. L'Estrange, E. M. Peters, Thomas Ashley, R. E. Stone, Paul Burrage, A. W. Davis, L. H. Hoffman, E. F. O'Shea, R. E. Ambrose, C. P. MacDonald and A. G. Ferguson.

In presenting the report of the committee on legislation, Harvey E. Frost declared that brokers should not be required to pay a return commission when automobile policies are cancelled by the companies. Further, he declared that the companies have no right to say that "any individual shall be deprived of the rights to protection" by refusing to write policies in certain districts or for certain classes of drivers.

Motor Insurance Events

Gains by Illinois National

Chicago Company Is Exceeding Its Great 1931 Record as to Volume of Business

At the close of the first nine months the Illinois National Casualty of Chi-

cago reports having written a volume of business in excess of its entire 1931 writings, its largest and most profitable year. This achievement has been accomplished through the employment of careful underwriting practices, resulting in a very favorable increase in both assets and surplus. T. H. Reiter, president, reports a marked improvement in claims.

The company is specializing exclusively in automobile insurance and has been aggressive in merchandising a policy to fit the public's automobile insurance needs. Its most popular policy is full cover written in a single contract and sold at independent rates, secured with reinsurance treaties.

In line with developing plans in Illinois and Indiana, the Illinois National Casualty has considerably enlarged its home office space, located at 540 North Michigan avenue, and has added to its field and office force.

The company now has a branch office in Springfield and service offices in Kankakee and Belleville, Ill., and Peru and South Bend, Ind.

E. L. Bouton, president and general manager of the Wyoming Valley Fire, Warsaw, N. Y., is celebrating his 50th anniversary of continuous service in the insurance field.

AN ESTABLISHED OKLAHOMA GENERAL AGENCY

Requires the facilities of a

FIRE COMPANY

(Western Underwriters Affiliation)

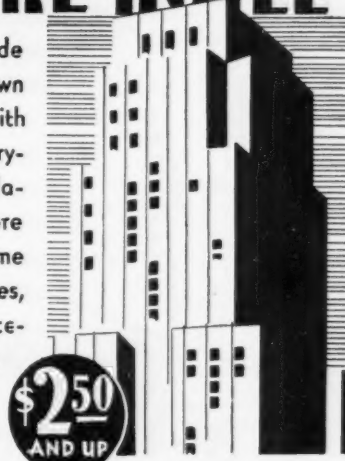
A casualty company is also desired.

Business supervised by a man of thirty years experience in Oklahoma.

Address W-86, The National Underwriter, Chicago

Now OKLAHOMA CITY HAS A BILTMORE HOTEL

Peerless service has made Biltmore a nationally-known and respected name with discriminating people everywhere. And, now Oklahoma City has a Biltmore hotel with all that the name implies. Modern features, such as circulating ice-water, ceiling fan with both up or down draft, air cooled public rooms, radio in every room, together with other outstanding services to contribute to your well-being at the Oklahoma Biltmore.



\$2.50
AND UP

Popular prices in the restaurant and coffee shop

JAMES E. BARRETT
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OKLAHOMA CITY

THE EUROPEAN GENERAL REINSURANCE COMPANY LTD

THE OLDEST CASUALTY
AND SURETY REINSURANCE
COMPANY IN THE U. S. A.

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NEW YORK

REINSURANCE FOR
INSURANCE COMPANIES
ONLY

THEODORE L. HAFF, U. S. Mgr. CLARENCE T. GRAY, Asst. U. S. Mgr.



The National Underwriter

October 27, 1932

CASUALTY AND SURETY SECTION

Page Forty-five

Self-Insurers in Some Difficulties

Heavy Claim Payments Continue Despite Reduction in Employees and Work-Hours

NEW YORK STATE FIGURES

Strict Department Demand for Securities to Cover Claims Is Cause of Many Retiring

NEW YORK, Oct. 26.—Figures showing the combined death and disability claims paid by prominent self-insurers in this state, gained from the report of the New York state department of labor for 1931, show that their losses on account of workmen's compensation claims, despite greatly lessened pay rolls, fewer employees and shorter working hours, as a rule, were materially increased. The subjoined table shows some payments made during the fiscal year ended June 30, 1931, as compared with the years 1930 and 1929. The American Locomotive Company, for instance, working only about 20 percent of its capacity of a few years ago, and with some plants manned practically only by caretaking crews, shows about the same amount of losses as the year before and a greater amount than paid the year before that.

Some Politics Is Involved

In view of some facts brought to light in the investigation of New York City affairs, showing that over \$200,000 in medical fees paid to six doctors only, were split with a politically powerful medical official of the city, the experience of the city is of particular interest also. Medical fees are not included in this accounting of sums paid on account of accidents or death.

Latest reports show the city has a \$368,000,000 annual payroll, involving 140,000 employees. The claim payments for three years of \$1,648,755 exclude the \$200,000 medical fees mentioned above, to say nothing of medical and hospital costs paid otherwise.

Claims Remain About Level

The enormous increase in payments made last year by the contracting firm of Patrick McGovern is because the firm now has contracts for the city water tunnel job, of such hazardous character that no carrier would be likely to insure it. Both General Motors and General Electric are understood to be operating on a greatly reduced schedule, but losses are practically the same as for the previous year.

Such experiences being the same for almost all self-insurers, with few important exceptions, may explain why 45 decided to abandon the plan and only 19, unimportant in the main, were added to the list.

Termination of many such plans was

(CONTINUED ON PAGE 48)

Continental Casualty Setup in Chicago to Be Revamped

BRANCH AND AGENCY TO JOIN

New Combined Office in Insurance Exchange to Be Under Glasgow as Vice-President

A change of major proportions in the setup of the Chicago office of the Continental Casualty and its general agency there, R. W. Hyman & Co., has been announced.

The present branch offices of the Continental Casualty will be moved from the Federal Reserve Bank building to the seventh floor of the Insurance Exchange building and R. W. Hyman & Co. will move from the 19th floor of the Insurance Exchange to the seventh floor with the branch. Hyman & Co. will give up its general agency for the Continental Casualty and operate as a brokerage unit for casualty insurance in the new branch. Hyman & Co., however, will continue to operate as class 1 agents for fire business.

Glasgow In Charge

H. A. Glasgow, vice-president and treasurer of R. W. Hyman & Co., will become a full vice-president of the Continental Casualty in executive charge of the Metropolitan territory. J. C. Griswold, resident vice-president in charge of the present branch, will continue to hold that title in the new branch and will have particular charge of production.

The claim office of the Continental, under Charles H. Ruttle on the 19th floor of the Insurance Exchange, will also be moved to the seventh floor.

The new setup will undoubtedly give the Continental Casualty much impetus in the development of its Chicago business.

The new office will take over space

(CONTINUED ON PAGE 48)

Government, in Darby Day Trial, Calls 48 Witnesses

CONSPIRACY IS MAIN CHARGE

Manipulators of Several Insurance Companies Before Federal Tribunal at Jefferson City, Mo.

Forty-eight witnesses were called by the government in the trial of Darby A. Day and Jerome B. McCutchan on charges of use of the mails in an alleged scheme to defraud in connection with their acquisition of several insurance companies and the formation of the Chicago Fidelity & Casualty. The case is before Federal Judge Reeves at Jefferson City, Mo.

The principal indictment against Day and McCutchan was conspiracy. The government alleged that straw mortgages on southeastern Missouri land without value behind them were made and transferred from one place to another through the mail to the ultimate loss of policyholders of the Continental Indemnity. Day and McCutchan formed the Chicago Fidelity & Casualty and Darby Day Investment Company and acquired control of the Indemnity Company of America, Continental Auto of Springfield, Ill., Samson Auto of Freeport, Ill., Automobile Underwriters of Dallas and Liberty of Dayton.

The government attempted to show that various individuals were employed through employment agencies in St. Louis as straw men to receive title to different tracts of real estate, to make trust deeds back and then to deed back the property in blank. The government set up that \$1,400,000 of these mortgages came back to the Chicago Fidelity & Casualty and about half to other companies including the Continental Indemnity.

(CONTINUED ON PAGE 48)

Vital Precedent Is Set In Illinois

Supreme Court Denies Certiorari in Occupational Disease Case, Sustains Carrier

HAS NATION-WIDE EFFECT

United States Casualty Test Suit First on Troublesome Point in Workmen's Compensation

The Illinois supreme court by refusing a writ of certiorari in the nationally important case of United States Casualty vs. Belleville Enameling & Stamping Co., involving liability for occupational disease, has just established a precedent which undoubtedly will be quoted far and wide in many workmen's compensation cases.

The effect is to sustain the ruling of the fourth district Illinois appellate court reversing some \$17,000 judgment against the carrier arising from several silicosis claims. This is a distinct victory for casualty companies so far as liability under the much discussed occupational disease statute is concerned, but, it also is important throughout the country in view of the fact that companies have been sustaining huge losses on account of legitimate occupational disease claims, a host of illegitimate claims built up by ambulance chasers, and, what is worse, have been facing an unknown situation involving infirmities difficult to investigate and diagnose and giving this broad coverage largely without an extra premium charge.

Refuses to Hear Case

The supreme court's action constitutes a refusal to hear the case, which in effect sustains the appellate court's finding.

The full effect of the ruling in July by the fourth district appellate court in Illinois that silicosis is not covered in the standard workmen's compensation policy and should not be read into it merely because of the state's occupational disease statute, appears not to have been fully appreciated by many agents and brokers, and even underwriters. There has been misapprehension in the state that the compensation policy covers all occupational diseases, and it is being so presented to many clients and assureds.

The point has been raised persistently by one agency underwriter with Chicago branches, and even some home offices. The underwriter said he found an almost uniform lack of knowledge of the effect of the ruling. From some home offices he has received assurance that the compensation policy covered all occupational diseases and one branch office underwriter had not heard of the appellate court ruling and in fact inquired what difference it made.

This decision was in the case of Belleville Enameling & Stamping Co.

Experience of New York Self-insurers

Total death and disability workmen's compensation claims paid by named self-insurers of New York State for the fiscal year ending June 30 of the year indicated are presented below:

	1929	1930	1931
American Tobacco Co.	\$ 6,831	\$ 9,831	\$ 10,454
American Locomotive Co.	55,797	66,290	65,797
Bethlehem Steel Co.	153,995	207,528	176,080
Bordens Farm Products Co.	97,688	129,825	117,098
Brooklyn Edison Co.	48,123	52,892	63,504
Brooklyn Manhattan Transit Co.	42,884	35,161	21,343
Brooklyn Union Gas Co.	40,820	39,649	31,875
Burns Brothers	18,259	20,768	27,891
Consolidated Gas Co.	215,682	211,119	213,554
Consolidated Tel. Co.	51,878	60,920	53,843
Eastman Kodak Co.	31,300	40,867	46,895
Endicott Johnson Corp.	62,279	60,378	62,211
Erie Railroad	60,580	67,307	65,424
Ford Motor Co.	11,774	29,721	28,511
General Electric Co.	159,143	236,041	198,099
General Motors	42,586	47,727	47,748
International Paper Co.	31,346	36,656	33,820
Interborough Rapid Trans.	232,704	270,359	265,156
Knickerbocker Ice Co.	27,255	36,468	36,464
Long Island Railroad	117,768	106,968	111,360
Patrick McGovern, Inc.	3,297	3,252	251,212
Mohawk Carpet Mills	11,334	24,650	13,821
National Biscuit Co.	41,272	30,311	37,747
New York Central R. R.	111,130	111,812	99,272
New York City	459,937	623,016	565,802
New York Rapid Transit	125,465	133,122	110,397
New York Telephone Co.	53,838	66,099	67,393
Railway Express Agency	113,140	109,014	119,006
Standard Oil Co.	44,921	56,154	63,331
Thompson Starrett Co.	40,165	41,951	61,748
U. S. Trucking Co.	19,412	20,463	21,444
Western Union Telegraph Co.	16,234	26,594	31,069
Yellow Taxi Corp.	2,933	43,691	40,922

vs. United States Casualty, on appeal from the circuit court of St. Clair county. It involved several joined cases with a total of \$17,539 in judgments or settlement with employees by the enameling company. The United States Casualty denied liability.

The appellate court ruled it could not interpret the contract to cover injuries not resulting from accident and reversed judgment of the circuit court with instructions to insert in the judgment the statement that the court finds the alleged injuries were not covered by the policies in question.

It is emphasized that although a compensation policy in Illinois does cover some occupational diseases, it is only those contemplated in section 2 of the occupational disease statute, which relates to more hazardous occupations. The occupations specifically mentioned are manufacture or manual labor in which sugar of lead, white lead, lead chromate, litharge, red lead, arsenate of lead or paris green are employed, used or handled, or the manufacture of brass or smelting of lead or zinc. These processes and employments are declared to be especially dangerous to the health of employees.

Common Law Liability Exists

Section 1 of the same statute imposes a common law liability on employers for other occupational diseases, requires them to provide reasonable improved devices, means or methods for preventing industrial or occupational diseases incident to the work or process, but does not require the carrying of workmen's compensation insurance; whereas, section 2 does so provide.

The point is becoming highly important due to the fact that many assureds are finding themselves exposed to common law liability and are constantly seeking coverage for it. Agents and brokers have been inquiring frequently of general agencies or branch offices as to the exact coverage provided under the standard policy. It appears there is no cover for occupational diseases other than those listed in section 2 of the law, under workmen's compensation and employers liability policies in Illinois unless the contracts are specifically endorsed for claims sustained in line with section 1 of the statute.

Case Before Supreme Court

Companies have been at a loss what action to take. Some did not deny liability for the occupational diseases in dispute, such as silicosis, but were handling such claims under a reservation of rights dependent on the outcome of the Belleville case.

It is said the defense of contributory negligence and assumed risk practically is barred under section 1 of the occupational disease statute and many employers are finding themselves exposed under this section to liability at common law with judgments often four or five times what they could be legally under the compensation law. This accounts for their unusual interest in finding compensation coverage for these additional occupational diseases.

Report Many Suits Filed

Reports indicate that in the vicinity of La Salle, Ill., where there are many stone-cutting industries suits aggregating nearly \$1,000,000 for damages due to the contraction of silicosis have been filed.

So far, although there is admittedly a great deal more hazard to companies under the occupational disease statute, and this is a type of claim difficult to investigate and defend, no extra premium charge has been authorized and most companies have not charged for the additional protection.

Big Problem for Companies

The whole question of what to do with occupational diseases has been agitating companies for a year or more. A sub-committee of the executive committee of the National Bureau of Casualty & Surety Underwriters, with United States Manager J. M. Haines of the London Guarantee & Accident as

Illinois Glass Proposal Is Considered by Committee

GOOD CHANCE OF APPROVAL

Plan to Eliminate 50-50 Policy, Raise Rates in Cook County Before National Bureau

NEW YORK, Oct. 26.—The proposal of members of the Cook County (Ill.) Plate Glass Insurance Bureau, submitted to companies to eliminate the sale of the 50/50 policy in Cook county, make the system of credits for zone 1 risks uniform as between the Moore plate glass bureau and the corresponding bureau of the National Bureau of Casualty & Surety Underwriters, and to increase rates was considered somewhat favorably at a meeting of the so-called "liaison" committee here. This committee functions between the Moore bureau and National bureau. The committee, however, was of the opinion that the Cook county bureau's plan to increase rates 37½ percent on plates over 50 square feet area should be modified to a larger minimum square footage. Several other minor changes were suggested by the committee which will now present the plan to membership of the Moore bureau and plate glass bureau of the National bureau for ratification. It is now pretty well assured that the changes will be approved, with modification, to become effective Dec. 1.

GLASS BUREAU SUCCESSFUL

The Cook County Plate Glass Insurance Bureau of Chicago, which began to function actively July 1, has maintained its schedule as to rate filing and with the exception of the problem created by the 50/50 policy, inadequate rates and conflicting credits has been highly successful, according to President E. I. Fiery and Secretary John Lawlar. It now has 29 company members, as against 32 originally, the reductions representing consolidations of companies. The National Surety and Yorkshire Indemnity have just joined. Members are cooperating fully, Secretary Lawlar reports. The bureau is receiving between 600 and 800 requests for rates weekly.

Radio Bond Issued

The National Surety has issued a bond guaranteeing that the Plymouth radio broadcast Nov. 1 over the Columbia system will not suffer because of breaks in the land wires which connect the stations in the network or because of failure of any part of the equipment for transmission. The bond is in the amount of \$500,000. This is believed to be the first bond ever to cover a radio program. President E. M. Allen of the National Surety states that this opens a new field for insurance.

chairman, about a year ago began studying this question. Later a committee was named in the National Council on Compensation Insurance, made up of the Aetna Casualty, Ocean Accident, Travelers, American Mutual Liability, Liberty Mutual and Lumbermen's Mutual.

The two have been meeting jointly, studying the questions of a standard endorsement, rate-making procedure and a specific formula, reporting tentative findings in July. An exhaustive investigation of the subject is being conducted in Pennsylvania, and in Illinois the department of labor and industrial commission is studying the problem under authority of a joint legislative resolution, to report to the next legislature.

One of the principal problems has been to restrain legislators from adopting laws including all occupational diseases. Such an attempt fortunately failed in Illinois. Underwriters said the all-inclusive policy would have raised rates at least 75 percent and would have created much antagonism.

Automobile Rates in Texas Have Now Been Increased

The Texas Automobile Insurance Service Office has distributed to all qualified agents copies of the new manual containing the rates approved by the commissioners and effective as of Oct. 17. Compared with former figures the revised rates reveal an increase of 23 percent for public liability on private passenger cars, and 40 percent for commercial machines. Tariffs for property damage cover, on the other hand, show a decrease of 6.9 percent on private vehicles and of 2 percent on commercial automobiles, the rates in all cases being based upon statewide experience. Tariffs for the remaining classifications are unchanged. Upon the same date a number of rule changes became operative. The commissioners now require the stamping of all policies covering fleet risks eligible for experience rating.

Increase Held in Abeyance

MADISON, WIS., Oct. 26.—Special filing of a 10 percent increase in workmen's compensation rates above the pure premiums approved by the Wisconsin compensation board, as made by the National Council on Compensation Insurance, will be held in abeyance.

The Wisconsin Compensation Rating & Inspection Bureau has been advised to release rates effective Nov. 1 on the basis of the pure premiums approved by the board and on the basis of existing expense loading.

No decision has yet been announced by the Wisconsin board regarding the graduated expense loading plan proposed by the bureau, and on which it has suggested changes. Changes proposed by the state board were opposed by agents at a hearing here recently.

Maryland Increase Hearing

At an early though as yet undetermined date the Maryland state industrial accident commission will hold a hearing upon the application of the casualty companies for an increase in workmen's compensation rates. The advance sought by the stock carriers is 2 percent and that of the non-stock companies slightly less.

Meador Also Treasurer

James J. Meador, vice-president of the United States Casualty, has been elected treasurer, succeeding L. H. Clarke, who has retired. Mr. Meador has been connected with the company 29 years and is well known throughout the country.

Bank Robberies Increasing

NEW YORK, Oct. 26.—Bank robbery losses throughout the central west and the northwest are being reported with discouraging frequency. The formation of vigilante organizations in Iowa some years ago had an immediate and pronounced effect in driving bank bandits from that state. In the past few months, however, they have resumed activities and robberies have been reported by a number of banks which, fortunately for them, were protected by insurance. Wisconsin is another state which has an unenviable reputation for robberies just now. Such protective devices as the banks have adopted to checkmate the raids seemingly have proved futile.

Cost Bond Rate Reduced

NEW YORK, Oct. 26.—In future the rate for cost bonds, instead of being flat \$10, as heretofore will be \$5 for amounts of \$100 or less, and \$10 in excess of that figure, the Towner Rating Bureau advises its subscribers. There will be no change in the rate on appeal bonds, the bureau having declined to approve the suggestion that a differential be sanctioned as between parties who supply collateral and those who do not.

Attack Made on Wisconsin's New Public Depository Law

MILWAUKEE COUNTY OBJECTS

May Bring Suit to Collect from State Fund \$1,070,000 on Deposit in Failed Banks

MILWAUKEE, Oct. 26.—An attack on the public depository law passed by the last Wisconsin legislature to protect public funds in banks was made by District Attorney Bowman after a meeting with state officials who came here to discuss the county's proposed suit to collect from the public depository fund \$1,070,000 that Milwaukee county had on deposit in four closed and nine moratorium banks.

The law purports to protect public funds on deposit in banks but it affords practically no protection, Mr. Bowman asserted. Milwaukee county not only does not get any interest return on its money deposited in banks but actually has to pay ½ percent interest on money deposited.

"Only the banks benefit," said the district attorney. "The law makes suckers of the public depositors. While ostensibly aimed at protecting public deposits, it actually does not give as much protection as the former arrangement, under which the county or other governmental unit dealt directly with the banks. The county formerly got 2 percent interest and the banks posted surety bonds to protect the deposits."

Claims Small Banks Favored

"Sponsors of the law contended that it was necessary because bonding companies were refusing to write bonds protecting public deposits," Mr. Bowman continued. "As a matter of fact, the companies refused to write bonds only in cases of small banks which were in questionable condition. Apparently this law is designed to keep public deposits in small banks."

As originally passed, the law provided that banks were to pay 1½ percent interest on the daily balances of governmental units, of which 1 percent was to go to the state public depository fund. From this fund the units of government were to be reimbursed for any losses of public money due to bank failures. However, the state fund became quickly depleted because of the flood of claims, so the state board of public deposits increased the interest rate to be paid into this fund to 2 percent. The banks continued to pay only 1½ percent, however, and assessed the additional ½ percent against the county. Under the law banks are excused from furnishing bonds to protect public deposits, the theory being that the state fund would provide ample protection.

There is now on hand in the fund \$400,000 and it is reported that claims against it aggregate \$6,500,000. The law provides that in such a situation the claims are to be paid out of the state's general fund, but, Mr. Bowman said, this gives the county no loophole because this fund has already been appropriated for specific purposes.

Inland Marine Is Being Stabilized

(CONTINUED FROM PAGE 3)

well as companies, for with the wide latitude in rate making as well as in commission granting, that previously obtained agents had no certainty that whatever rate they quoted an assured or a prospect would not be cut in competition. It was to end practices of this character, so demoralizing to the business as a whole, that the I. M. U. A. was launched about two years ago.

Man-hour Basis Is Not Favored

Many Difficulties in Way of
Adopting Proposed Workmen's
Compensation Rating Plan

SEE VALUE AS DOUBTFUL

Junking of All State Laws and Heavy
Cost of Change Are Other
Factors

NEW YORK, Oct. 26.—As T. E. Braniff, president of the National Association of Casualty & Surety Agents, advised the members at their White Sulphur meeting, the suggestion was made to casualty companies some months ago that rates for workmen's compensation insurance be predicated on a man-hour rather than a payroll basis. The officials have considered the plan but its adoption appears most unlikely.

The method of rating on the payroll basis has been in vogue ever since workmen's compensation insurance came into being nearly 25 years ago, being a carry-over from the old employers' liability days. Though the method is concededly not ideal and actuaries are constantly studying possible changes, none so far advanced has been deemed practical.

Cost Not Considered

It is not the fact that any radical change from the existing method would mean the scrapping of the accumulated experience of close to a quarter of a century and a heavy further investment which balks adoption of a new rating program, for if through the expenditure of even \$1,000,000 compensation carriers could develop a rating policy that would more nearly measure hazards than that now employed, the change would be made without the slightest hesitation.

To abandon the payroll scheme, however, would mean that all state compensation laws would have to be abandoned, a proposition unthinkable. No legislator is bold enough to suggest such a move.

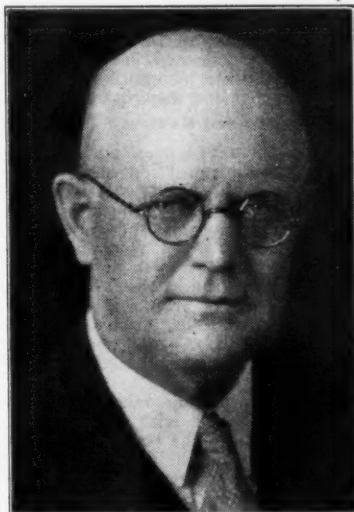
The man-hour method would be useful in supplying the accident frequency per time of exposure, and conceivably could be used in conjunction with the payroll plan. Such a method of figuring, however, would be complicated and the result might prove such that the effort and cost entailed would be unwarranted. Simplicity and accuracy are not synonymous terms in casualty rating and the nearer one approaches accuracy the more complicated becomes the work, for all related factors, even those of minor importance, must be taken into reckoning.

Accident frequency determination, apart from payroll consideration, would yield little information of value, for while the hazard in two industrial plants of like character might be identical and record the same accident frequency, the wage scale used in the properties might vary greatly and hence determine the indemnity cost to the carriers.

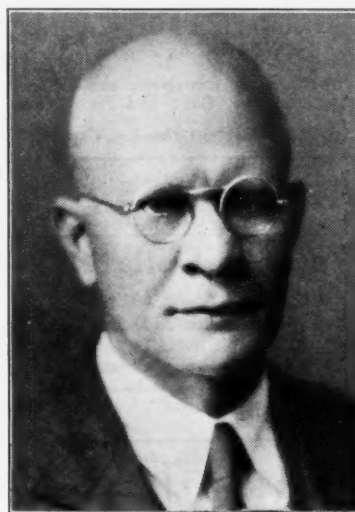
Again, under the payroll plan underwriters are enabled as a rule to get proper returns from their assureds. Accountancy methods are more or less standardized today and various sources enabling back-checking are open to auditors. Accounts must be maintained properly to enable the filing of income tax returns and for other purposes.

If data were sought upon a man-hour basis, it would be of use only to compensation carriers and even though labor employers were willing to incur the expense of such additional compilation,

Two New Committeemen



JOHN C. KIDD, Indiana



A. D. DULANEY, Arkansas

Insurance Commissioners Kidd of Indiana and DuLaney of Arkansas were elected to the executive committee of the National Convention of Insurance Commissioners at its Texas meeting. Both men read papers before the meeting and are regarded as valuable public officials.

Northwest Casualty Case Is Taken Under Advisement

LINCOLN, NEB., Oct. 26.—Commissioner Herdman has taken under advisement the charges filed by Guy Cramer, secretary of the Omaha Association of Insurance Agents, against the Northwest Casualty of Seattle, alleging discrimination in rates between classes for the same coverage. Attorneys for the company admitted that the company was offering a special rate on automobile insurance to postal employees at Omaha at less cost than to the general public, but said the department could do nothing about it, as it is without power to make rates in Nebraska, and that the anti-discrimination law applies only to life insurance. The commissioner overruled the objections filed to his hearing the charge, saying that the department claims the right to make reasonable rules for the operation of all companies, under the law giving it power to supervise, regulate and control them.

The defense offered by the casualty company included an allegation that the board rate is too high; that postal employees constitute a class which should be given a lower rate than other classes of automobile owners; that persons who drive their own cars as distinguished from those who allow various members of their families to drive cars should be given a lower rate; that an automobile driven by its owner should be favored in the rates over a taxicab, and that all automobile companies now grant lower rates to farm-owned automobiles than to owners of city cars. It also insisted that the state should encourage rather than discourage lower automobile insurance rates.

Leo Sullivan Transferred

Leo Sullivan, who has been an underwriter in the accident and health division in the Newark branch office of the Metropolitan Casualty and Commercial Casualty, is now an underwriter in the plate glass and burglary departments.

the opportunities for figure juggling are obvious. Concretely, while rating on the man-hour basis has certain commendable features, it would not tell the whole story, and for this and other reasons its adoption is deemed impracticable by company executives.

National Surety Managers in New York Conference

NEW YORK, Oct. 26.—W. B. Joyce, chairman of the National Surety, called all branch managers in the mid-west and southwestern territory to New York for a three-day conference to be devoted primarily to the furtherance of his plan advocating "buying for prosperity," a plan recommending to 14,000 agents, officers and employees of the company to spend an extra dollar each week and also to organize committees of important business men in their communities to arouse people into promptly buying for their needs.

The first session was called Tuesday morning. A conference with the chairman opened the convention. The afternoon meeting was addressed by President E. M. Allen. Wednesday was devoted to addresses by officers and department heads. Thursday will be taken up with general discussions and individual conferences among the managers.

Managers attending are: C. H. Allen, Montreal; C. M. Evans, Harrisburg; D. W. Speidel, Pittsburgh; R. C. Tredway, Columbus; Dudley Griffith, Indianapolis; Fred Liles, Omaha; A. E. Fuller, Chicago; I. J. Talbott, Kansas City, Kans.; Fred Brinkman, Kansas City, Mo.; I. D. Davis, Parkersburg; Warren Curtis, Richmond; Harry Levey, Greensboro; C. G. Strickland, Jacksonville; W. L. McCalley, Jr., Atlanta; A. W. Rankin, Newark; B. J. Nietschmann, Milwaukee; T. E. Griffin, Detroit; and G. D. Heaton, Louisville.

Wilson Temporarily in Charge

Pending the appointment of a successor to the Great City Agency, of Los Angeles as Pacific coast general agent for the Greater City Surety & Indemnity of New York City, W. H. Wilson, chairman of the board, is in charge of the company's affairs at the Los Angeles office.

Paine with St. Paul-Mercury

W. O. Paine has been appointed southern California branch manager at Los Angeles for the St. Paul-Mercury Indemnity with offices in the Garland building. He was for several years Los Angeles branch manager for the Royal Indemnity and Eagle Indemnity.

Industrial Group Retains Officers

All Reelected at Insurers Conference Annual Meeting in
New Orleans

LOSS RATIO IS HIGHER

General Showing Considered Satisfactory, However, in View of General Conditions

The Industrial Insurers' Conference at its annual meeting at New Orleans last week reelected all of its officers as follows: President, E. T. Burr, Durham Life, Raleigh, N. C.; vice-president, J. R. Leal, Interstate Life & Accident, Chattanooga; chairman executive committee, R. H. Dobbs, Industrial Life & Health, Atlanta; secretary-treasurer, Peyton W. Jones, Bankers Health & Life, Macon, Ga.

A slight upward trend in the accident and health claim ratio for the first half of the present year was shown in the report of the statistical committee, headed by R. A. Halley, National Life & Accident. The claim ratio for the half year was 51.63 percent. The increase is really very slight, in view of general conditions which have prevailed this year, and the general opinion seemed to be that a better experience could be expected for the last half of the year.

Has Met Multiplied Problems

President E. T. Burr in his annual address referred to the multiplied problems which the industrial business has had to meet as a result of unemployment and decreased purchasing power and expressed gratification over the ability of companies to adjust themselves to changing conditions. "There has been no moratorium in our business," he said, "every obligation has been met at 100 cents on the dollar, and we have proved conclusively that we can be relied upon in times of stress as well as in times of prosperity." He expressed the belief that the worst has been passed and that the trend would now be upward, although possibly gradual.

He pointed out that there is one bright spot in the situation, in that it has been possible as never before to attract to agency organizations the ambitious and capable type. There has not been the necessity, "even with the old and often used excuse of expediency, of experimenting with the drifter, the floater, the man who has had chance after chance to make good, but who now has to show for his years of experience only a desire to get another job." He said that there are of course occasions when changes from one company to another are entirely justified, but that for every one of such desirable changes there are many others which do not prove to be profitable to the company that takes the chance with the ex-agent.

Opposes Tax Increases

He referred to the tendency to increase insurance taxes and the lack of justification for such actions, urging that the companies use every effort to prevent such increases. He also spoke of the excessive cost of government and the necessity for decreasing federal expenditures. He urged a close watch on legislation, even in territory where a particular company may not be operating, as an unsound precedent once established, even at some distant point,

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All lines written. Engineering service. Special and prompt attention given to business from out of town brokers on Miami and Southeast Coast business.
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**CRITCHELL, MILLER
WHITNEY & BARBOUR**
Established 1868
Insurance Exchange Building
CHICAGO

Eliel and Loeb Company
Insurance Exchange
Chicago

FRED S. JAMES & CO.
Insurance Exchange Building
Chicago

INDIANA

**THE STATE SAVINGS AND
TRUST COMPANY**
INSURANCE DEPARTMENT
9 East Market St., Indianapolis, Ind.
Complete facilities for handling all lines of insurance anywhere in the State of Indiana.

LOUISIANA

LEON IRWIN & CO., Inc.
Unexcelled Insurance Facilities
NEW ORLEANS, LA.

MICHIGAN

Detroit Insurance Agency
G. W. Carter, Pres.
H. L. Newman, Vice Pres.,
Louie J. Lepper, Sec.-Treas.
Fisher Bldg. Detroit, Mich.

Established 1875

Grinnell-Row Company
GENERAL INSURANCE
Grand Rapids, Michigan

MISSOURI

Lawton-Byrne-Bruner
INSURANCE
Saint Louis

NEW YORK

CENTRAL FIRE AGENCY, INC.
(Underwriting Agency)
Risks accepted throughout the United States, Canada, Cuba and Porto Rico
92 William Street, New York City

OHIO

Walter P. Dolle & Co.
"Insures Anything Insurable"
Dixie Terminal Bldg.
CINCINNATI
Submit Your Propositions to Us

Established 1899

FRANK J. MACKLIN
FIRE INSURANCE
306-10 Citizens Bank Bldg.
COLUMBUS, O.

TEXAS

RICE & BELK
INSURANCE
Established 1886
HOUSTON, TEXAS

WEST VIRGINIA

FOUNDED 1876
Patterson, Bell & Crane Co.
INSURANCE and BONDS
CHARLESTON, WEST VIRGINIA
Engineering Services and Underwriting
Facilities for W. Va. Lines

J. F. Paull & Company
GENERAL AGENTS
Rooms 508-9-10 Board of Trade Bldg.
Wheeling, W. Va.
Ohio, Pennsylvania and West Va.
Business Solicited

LEE C. PAULL
INSURANCE
Wheeling, W. Va.
Engineering Dept. Brokerage Dept.
J. E. Brown O. W. Linde
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CHICAGO

is likely to result in similar adverse legislation in its own territory.

He cited the appalling record of casualties due to automobile accidents and urged that support be given to accident prevention campaigns.

Ted M. Simmons, superintendent of agents Pan-American Life, who is well known to accident and health men as well as in the life insurance field, gave a very eloquent and inspiring sales talk.

Jennings and Munford Speak

Frank E. Jennings, president Peninsular Life, speaking on "Conservative Expansion," offered some valuable suggestions for expansion of business, with return of more normal times, but urged that it should be undertaken on a conservative basis, both as to underwriting practices and the policy coverages granted. G. W. Munford, secretary Home Security Life, discussed "The Problem of the Ex-Agent," pointing out the danger of giving contracts to drifters and floaters.

P. M. Estes, general counsel Life & Casualty, combined with his informal talk on "Taxation" the report of the law committee, of which he is chairman. He reviewed the seriousness of the tax situation to insurance companies and urged that every effort be taken to combat legislation of this sort. He spoke of the punitive laws of South Carolina and said that every class of insurance should join in seeking to have these laws repealed.

Announcement was made at the meeting of the sudden death of President G. C. Coburn of the Independent Life & Accident of Jacksonville, and a special committee was appointed to prepare a memorial.

Government, in Darby Day Trial, Calls 48 Witnesses

(CONTINUED FROM PAGE 45)

Among the witnesses called by the government were Alvin S. Keys, who is liquidator for the Chicago Fidelity & Casualty, Leo Lowe, director of trade and commerce of Illinois, Robert E. Daly, chief examiner Illinois department, and numerous policyholders and agents.

Joseph F. Holland, former deputy superintendent for Missouri, testified that the Continental Indemnity had sought to deposit with the Missouri department real estate mortgages with a face value of \$403,150 on southeast Missouri land although the actual worth of the property was only about \$100,000. A certificate of deposit was issued by the department, he said, but was later withdrawn when an appraisal of the properties showed the land to be much less than half of the represented value.

Ohio's Examiner Heard

A. W. Findley, a state insurance examiner for Ohio, testified that Aug. 31, 1930, when the department examined the Liberty of Dayton it found assets of \$1,350,188 but a month later found only \$666,715 of securities which the department could approve.

"Government bonds had been taken from the assets and practically worthless mortgages substituted by Day and McCutchan. Shortly afterwards the company was in receivership. The good securities had not been replaced," Findley stated.

Counsel for Day kept objecting to testimony on the ground there was nothing in the record to show that Day and McCutchan knew each other at the time the mortgages were made. This was in an attempt to defeat the conspiracy charge.

G. C. Rockwood, former head of the Continental Auto Insurance Underwriters of Springfield, Ill., which was taken over by the Day interests, and Judge C. S. Younger of Columbus, O., former Ohio insurance superintendent, were among the witnesses. A number of people connected with the Missouri department were also witnesses.

Self-Insurers in Some Difficulties

(CONTINUED FROM PAGE 45)

largely due to the fact that greatly increased demands of the insurance department for securities to be placed in deposit for protection against past, present and future claims in many cases have been extremely difficult, if not almost impossible, to meet. Such deposits in custody of the department are reliably estimated to be about \$25,000,000. Self-insurers retiring from the class may not legally withdraw their deposits for 26 months, and the department is said to have authority, which is usually exercised, to retain them almost indefinitely.

Awards totaling \$36,012,788 were granted in 1931 by the industrial commission of New York state, according to the annual report. There was a drop from 471,510 in 1930 to 419,073 in 1931 in the number of accidents reported. There was a 6 percent reduction in hearings held and in cases closed.

"Despite the decline in the number of cases handled," the commission states, "the work has increased, due to economic conditions. This has resulted not only in applications to reopen many closed cases but in increased resistance to awards on the part of carriers and to more active pursuit of claims by injured workers, especially on minor disabilities. Thus many cases that would ordinarily be closed at the first hearing, with adjustments satisfactory to all parties, now require two and even three hearings. Another problem is that of adjustment of awards to the generally lowered wage scale brought home by the depression."

The report states that 5,033 firms doing business in New York state were listed as self-insurers at the close of 1931, representing 562,127 employees and an annual payroll of \$819,934,939. During the year 19 self-insurers were added to the list and 45 terminated operations on that plan.

"The economic situation," the commission states, "was largely responsible for the excess of terminations over new insurers, self-insurance implying on the part of the insurer, the financial ability to guarantee payment of all compensation obligations. Good self insurance practice also contemplates the use of constant and effective methods of accident prevention. Self-insurers' accounts have been subjected to close scrutiny. A formula applicable to all accounts has been developed to determine the sufficiency of security on deposit and thus maintain a balance between the financial ability required for self-insurance and the liability imposed by the compensation act."

Continental Casualty Setup in Chicago to Be Revamped

(CONTINUED FROM PAGE 45)

now occupied by the Pan-American Life, Underwriters Service Corporation, United States Casualty and space that is now vacant.

Hyman & Co. will continue to be general agents for the Continental Assurance while the Continental Casualty will delegate to Hyman & Co. all fire general agency functions. Mr. Griswold heretofore has had the Transcontinental Fire.

"I know," President H. A. Behrens states, "that the Continental's expansion program in Cook county is unusual coming at the present time. However we believe that insurance is now on the upgrade and the Continental believes that it should take advantage of the turn before it is apparent to everyone. Secondly, one of the objectives of the Continental has always been the development of a large business in its home territory. We have felt that we should prove our success first by the patronage given us by our own neighbors and

that our own neighbors would recognize the advantage of dealing with the home company. As the result of that plan we have built up in Cook county a tremendous volume of business and we feel that the move now announced will go farther and more rapidly in the development of what we consider our most desirable business."

Rockwood Hosmer Again Head of Illinois Agents

(CONTINUED FROM PAGE 39)

The final feature of the morning session was an address, "Conservation of Human Life," by John J. Hall, director of street and highway division, National Bureau of Casualty & Surety Underwriters. Mr. Hall is an enthusiastic crusader, who is ringing up a record for number of appearances before agents' associations. The Illinois meeting was his 15th such appearance this year. He has a forceful and oratorical delivery and he always commands interest.

Mr. Street was the first afternoon speaker. He was followed by Mr. Goss and then came Jarvis W. Mason, advertising counsel for the London Assurance, who presented the talk that he has been giving before other agents' organizations. Mr. Mason sent out questionnaires to agents probing various features of their administration and their attitude on a number of questions. The results were analyzed and charts prepared. Mr. Mason gives a chart talk.

Chief McAuliffe Makes a Big Hit at Meeting

Frank C. McAuliffe, chief of the Fire Insurance Patrol of Chicago, delivered the next address and he was a sure fire hit. The chief had asked President Hosmer what he should talk about. Mr. Hosmer advised him to avoid technical discussions and "tell about the life of a fireman or about the time you put out a fire single handed on top of the Steuben building in Chicago." Chief McAuliffe accepted the advice and treated his audience to anecdotes of firemen in the good old days, about hard boiled fire captains, and stories of heroism. He didn't make the mistake of attempting to dress his stories up in literesque fashion, but, with the spirit of the artist, spun his yarns with salty flavor. The chief looks like a movie hero and has the affection of all insurance men who know him.

The final address at the afternoon session was that of S. Phil Hutchison of the Illinois department, who delivered some old fashioned oratory that made the welkin ring.

Banquet Starts Off as Usual with Spoofing

The banquet, as might have been expected, started off with spoofing, which had been framed by Mr. Hosmer, John M. Thomas, president of the National Union, and Ernest Palmer, manager of the Chicago Board. Then followed serious addresses by Allan I. Wolff, chairman of the executive committee of the National Association of Insurance Agents, and W. N. Achenbach, western manager for the Aetna Fire.

Mr. Achenbach's remarks were of a general nature. He said that if certain lessons are learned from the depression, it will not have been in vain. He called for practical economy both personal and business. He said that self reliance is more needed today than ever. He scoffed at the idea that there is a saturation point. This was feared 10 years ago and has no more been reached today than then, he declared. The best protection, according to Mr. Achenbach, is to lay up in fat years for the lean years to come.

He reviewed economic history and previous panics, emphasizing that recovery has always been certain and that higher ground is always gained.

Do you thoroughly understand fire insurance rating? Write The National Underwriter about the **Dean Schedule course**.

Walter Faraday, veteran surety man of Chicago, died last Friday at his home in Chicago, being 66 years of age. He was an Englishman by birth and at one time had the finest surety account in the city. He was a former newspaper man and got acquainted with the legal fraternity in Chicago. This led to a large volume of excellent business. He started his surety career with the American Surety and had been with a number of companies since. His last position was as head of the surety department of the New Jersey Fidelity & Plate Glass in Chicago.

George C. Coburn, president of the Independent Life & Accident of Jacksonville, Fla., and one of its founders, died last week after a short illness. He started with the Metropolitan Life in Louisville some 30 years ago and later became connected with the Peninsular Life of Jacksonville, holding several important positions in that company. In 1920 he with nine other industrial insurance men organized the Independent Life & Accident to write weekly accident, health and life insurance. The

company has been built to an annual premium income of over \$300,000, operating only in Florida. It was a success from the start and its first week collected in premiums enough to pay all of the first week's expenses.

Mrs. Mary Sage Coburn, wife of James H. Coburn, vice-president of the Travelers Indemnity, died suddenly Oct. 19 at her home in Hartford. Besides her husband she leaves a son, James S. Coburn, and two daughters. The funeral was held Friday.

George H. Moloney, manager of the western department office of the Hartford Accident in Chicago, returned this week from an inspection trip in the western part of his territory, including Missouri and Kansas.

J. W. Hamilton, manager of the burglary department of the London Guarantee & Accident at the home office, lost his father, Walter Hamilton, retired, this week. The elder Hamilton, who was 83, was struck by a car in Austin,

Ill., and died in a hospital. The son went to Chicago for the funeral services, which are to be held there Thursday.

David Duncan, manager Globe Indemnity on the Pacific Coast, was fatally injured in an automobile accident while returning from a trip to the Pacific northwest with Channing B. Cornell, vice-president of the Fidelity & Casualty.

Mr. Duncan died at his home at San Rafael, Cal., Oct. 23, as a result of the accident. He started in business in 1906 with Voss, Conrad & Co., later becoming a general agent. He was one of the first general agents on the Pacific Coast to engage in casualty and surety lines. He was one of the organizers and chairman of the board of the Casualty Association for years, a charter member of the California Association of Insurance Agents and a past president of the Order of St. Andrew. He was a close personal friend of Sir Harry Lauder and well known for his Scotch wit and his ability as a golfer. Funeral services were held Oct. 25.

Daniel Seeger, 63, head of the contracting firm of D. Seeger & Son and president of Contractors Casualty of St. Louis, died there last week.

PERFORMANCE

Dependable and prompt plate glass replacements, year after year, has built an enviable reputation of performance for this organization among insurance men and their plate glass policyholders.

They have learned to depend upon the American Glass Company for that unfailing replacement serv-

ice which keeps plate glass insurance on the books.

They know the equipment and facilities of this company is second to none—that a fleet of trucks are always ready to go—that experienced men assure prompt, courteous plate glass replacements.

Try the American Glass Company on your next plate glass replacement.

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automobile insurance
this year.*

IT doesn't pay to take chances on automobile insurance. The test comes when a claim arises. Then it is reassuring to know the policy is with the Belt Casualty, a stock company, that pays just claims promptly.

Automobile insurance in the Belt Casualty relieves both agent and policyholder of worry—a sales point these days.

Ask about the careful training and instructions given our agents and you too will understand the value of including the Belt Casualty in your agency.

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Plan NOW For 1933

The agent who looks ahead and plans for the future is the one who will be among the successful next year.

But he must have a company to plan with him . . . work with him . . . shoulder to shoulder.

Ohio agents have found such a company in the Buckeye Union. The prompt, efficient claim service which has characterized the company for years, the efficient assistance in production and the friendly spirit of cooperation are praised by every agent.

Think about your future today. And for best results, include the Buckeye Union. You will progress more rapidly.

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The Company for
Good Ohio Agents

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Write or Wire Today!

**Buckeye Union
Casualty Company**
515 E. Broad St.
Columbus, Ohio

Street Criticises Qualification Law

(CONTINUED FROM PAGE 29)

cally all the commissions on policies protecting the stockholders' property. I feel the appointment of a corporation so organized and operated strikes a blow at regularity and at the agency system which proper consideration of the good of the business as a whole and for the agents on whom we are depending for proper representation would have made impossible."

Hosmer Asks Charitable Attitude Towards Laws

After Mr. Street had concluded his address, President Rockwood Hosmer asked Mr. Street to have a charitable attitude toward the qualification law. Mr. Hosmer expressed the belief that as time goes on and more experience is had under the law, bad agents will be kept out of the business.

Mr. Street replied by saying that he doesn't object to the agents which the operation of the law may keep out, but the agents that it lets in.

S. Phil Hutchison of the Illinois department, who addressed the convention later, said he was interested in Mr. Street's remarks. The department realizes, he said, that part timers are licensed under the law, but he observed that a statute would be unconstitutional that would undertake to specify just how much of a man's time should be spent in insurance work to make him eligible for an agent's license.

Mr. Street expressed doubt that the lessons of the depression have been fully taken to heart by insurance managements and agents. He asked whether the companies have learned that it is no kindness to the agent, as well as no advantage to the company, to permit undue liberality in underwriting when premiums are scarce or to extend undue credit even though its denial means the loss of some business. "Have agents," he asked, "learned that the sacrifice of some business is preferable to the ultimate total loss of the premium payment which they must make to the company? Have the companies understood that during this distressing period the number of agents who have discharged their obligations in a proper way and without the assistance of favors demanded and granted is so large that those who have involved themselves in trusteeships, receiverships or bankruptcies, constitute no great percentage of the whole, expensive as it has been, and that they must hold themselves responsible for that limited proportion?"

Collection Rules Should Be Enforced Strictly

"I favor the strongest possible legislation in company organization," he continued, "for the enforcement of effective collection rules, enforced literally, and a little bit brutally in the honest belief that the real agent's best friend is the one who makes the incompetent, the careless, the indifferent, toe the mark. It is no credit to the great body of agents to have it said that in the Insurance Exchange in Chicago so far in 1932 the companies have lost in uncollectible balances more than \$250,000, a sum equal to the normal profit on \$5,000,000 in premiums.

"Some of these losses have come from downright dishonesty—we should not have appointed doubtful agents; some have come from an undue extension of

credit by the agents to clients—companies should not have permitted anything of that kind but at the first indication of slowness in pay should have taken control of the situation; some have come from a reluctance to reduce expenses of operation and living expenses when the depression became evident. That, too, the companies should have discovered when the first balance was not paid on time and they should have promptly assumed command. That \$250,000 in the end is figured in the rates we must charge for our indemnity and that is unfair to the public; it is an unnecessary casualty, it is a regrettable casualty due to lack of foresight, lack of control or lack of realization as to the urgency of an individual situation. Signs of trouble, usually as clear as the north star, are too often overlooked, but some of us have, I hope, learned a lesson.

"You want to put the sideline out of business. Where that sort of thing is proper from the standpoint of equity, of local necessity and due regard for the interests we serve, all well and good—under those conditions I think we would be with you. A limitation of that kind from a purely selfish standpoint is not defensible but changes in the business may bring it about in time and be just as pleasing to us as to you when it comes. Let us combine now to put out of the business the man who is not a credit to it, whether he be a fully qualified agent in Chicago or a sideline in Red Bud, Ill.—let us, as the result of the lesson we have or should have learned, adopt new standards, new ideals of what the handling of this business should be and make it ethically at least as we would all like to have it. We simply lack the imagination, the cohesion which would enable us to go that far or to do other things which would raise our ranks in the social and business scale.

Tribute to the Business and Its Management

"In this state members of your association were active a little less than two years ago in promoting an agency qualification law for the betterment of agency representation, and, of course, without selfish motives. Managements generally would not oppose any exactment which tended to raise business standards or would make for other improvement, but I have yet to see the man who could control business who could not get a license in any state by some hook or crook or through political pressure, while on the other hand it is only fair to say I have never seen a man controlling business who could not secure the agency of some company, regardless of past record, of character and regardless of financial responsibility. In the rectification of that discreditable condition we can and must work together."

Mr. Street started his address with tribute to the fire insurance business and its management and the manner in which it has stood up through the crisis. He pointed out that the large amount of new capital added to the business after the upturn of 1927 and 1928 has been largely absorbed in meeting the crisis and the amount of capital employed in the business has been greatly reduced. However, he said, there is still a much larger number of companies than the needs of the public require. He expressed the belief that a small proportion of the companies now competing for diminishing premiums could easily carry the entire business because a limited number would be able to enforce

regulation. "The large city broker," he said, "would then be but an incident in your agency transactions, the number of agents could be correspondingly reduced and only the best retained. A company could then demand representation of the kind we should at all times have because company representation would be of greater value than now."

The statutes of most states, he said, have as a rule been enacted with a view to encouraging competition even during periods of mergers and concentration in other lines. He said, however, that Illinois is comparatively free from objectionable enactments. Time will be required to educate the public, he said, that in regulated monopoly rather than in wide open competition is to be found the way to betterment, to lower costs and lower rates.

Makes Suggestion as to Fire Prevention Work

Mr. Street mentioned that fire prevention work has been costing the companies an increasing amount for several years. The work is done as a matter of public duty. He said that town fire prevention could be improved if it were possible to have it taken seriously by each of the men engaged on a particular task. Too often, he said, the gatherings are assumed to be merely get together affairs and the work is more or less perfunctorily done, but even then, he declared, a large amount of good can result. The agents can add greatly to its value, he said. For instance, the agents should see for themselves what an inspector finds, the desirability of looking after little things which under ordinary circumstances would escape the notice of both agent and assured.

Mr. Street urged representation only of companies which in their affiliations are regular nation-wide. An agent who represents a company regular in Illinois but out of line in the east or Pacific Coast or south, is aiding or abetting its management in cutting the throats of brother agents in other jurisdictions. "It is an inexcusable position for any company to occupy in the first place," he said, "and I feel it is equally inexcusable that an association agent anywhere should represent a company which is not a supporter of correct practices in every jurisdiction. Your sphere of activity is necessarily limited to the confines of a single state, but there is no reason why recognition should not be given the fact that only with perfect units can the National association be a whole, exercising that measure of influence in and on the business its members hope to achieve."

The bane of an agency's existence these days is outside competition, according to Mr. Street, and is something that will always exist. He said in Illinois that an opportunity to aid in law enforcement is being overlooked which would put this outside competition more nearly on a basis of equality with companies' local representatives. The 2 percent fire department tax, he pointed out, is not paid generally throughout Illinois by reciprocal organizations, certain mutuals and on London Lloyds premiums. The payment of that tax, he said, would go a long way toward restoring that basis of equality of opportunity on which the entire business structure rests and it would mean a material reduction in the dividends paid by participating insurers. "If, when almost the entire industry in one of your smaller towns is insured outside and your local fire department revenue depleted in consequence, it seems to me that only indifference to your own interests could have been responsible for failure to insist upon the payment of the fire department tax regardless of the source through which the business is written. Some of these companies will tell you they are not liable for tax, but they are, the statute making no exception. They are writing business in competition with you; they are dodging tax obligations supposed to rest on all of us and adding to their distribution at the expense of others."

New Amsterdam
Casualty Company

A Progressive Surety and Casualty Company

ACCIDENT AND HEALTH FIELD

Suicide Problem Reviewed

Attorney McEnery Emphasizes Difficulties in Court at Convention of Industrial Insurers Conference

Four interesting conclusions on the absorbing question of suicide involving insurance were drawn at the meeting of the Industrial Insurers Conference in New Orleans by Harry McEnery, Jr., of Legier, McEnery & Waguespack, New Orleans insurance attorneys. He based his review on recent court decisions in such cases. First he found the love of life is the strongest instinct of a human being. Second, the insurer, defending on the ground of a violation of the self-destruction clause of the contract, carries not only the burden of establishing the fact with more than ordinary certainty, but also the presumption exists against the insurer as the company has drawn the contract, all terms should be most strongly construed against it. Third, he said, suicide within the provision declaring that death by suicide is an excepted risk is the act of designedly destroying one's own life. Fourth, death will not be decreed to have been caused by suicide until there has been excluded every other reasonable hypothesis of death.

The difficulty presented to a company when it defends on the ground of violation of the suicide clause is not so much one of law as of fact, he said. The facts regarding the alleged suicide must be presented to the court with sufficient abundance and weight to overcome the presumption which exists in law that when a company makes such a defense the burden of proof lies with the company.

The circumstantial evidence surrounding an alleged suicide may be as strong as the imagination can conceive, Mr. McEnery said, yet unless a motive is established for the alleged self-destruction the court will not hold that the insured committed suicide.

Hospital Insurance Plan Is Praised by Dr. MacLean

Hospital insurance, under which groups of persons can provide for future hospital needs by the payment of a fixed premium, was praised by Dr. B. C. MacLean of New Orleans in an address before the American College of Surgeons at St. Louis.

Dr. MacLean, who is superintendent of the Touro Infirmary, discussed the experiences of a number of communities and hospitals with hospital insurance. Under the plan generally used a commercial organization collects the premiums and pays the hospital fees, while the patient or policyholder is permitted to select his own physician and hospital. In some communities individual hospitals have organized their own insurance groups.

"It is a practical application of the principle of fixed periodic payments in the purchase of hospital care," he said, "and while as yet most of the plans provide only for the protection of employed persons in groups, some modifications are appearing which include arrangements for lower hospital charges for dependents."

"As actuarial experience is obtained, liberalization may follow, and it is not too rash a prophecy that before long most of the so-called 'people of moderate means' will be eligible for the benefits of hospital insurance."

He admitted that hospital insurance is not a panacea for all of the ills of medicine "but it seems to offer, particularly at this time, the greatest promise of deliverance from economic pain," he concluded.

Platform of Cleveland Club

Statement of Objectives Adopted at Meeting Celebrating 20th Anniversary of Organization of Club

The Cleveland Accident & Health Club at its October meeting celebrated its 20th anniversary. Chairman G. H. Knight submitted a platform and statement on objectives, which were added to the constitution and will govern the policy of the Cleveland in the future. It includes:

- (1) Establishment of the principle that the ownership of the business lies with the agency which produces it at its own expense.
- (2) Education of salesmen engaged in the accident and health insurance business by means of sales congresses and other methods.
- (3) Legislative protection of accident and health insurance interests in the state legislature.
- (4) Promotion of close relations between the Cleveland Accident & Health Insurance Club and the state insurance department.
- (5) Elimination of undesirable agents.
- (6) Interchange of information between members regarding moral and financial risks of claimants and prospects.
- (7) Support and cooperation with the National Association of Accident & Health Managers.
- (8) Promotion of ethical and suppression of unethical practices of companies and agents.
- (9) Prevention of any person, not a bona-fide insurance agent, from procuring a state license to sell accident and health insurance.
- (10) Education of the public to the vital necessity of carrying accident and health insurance protection.

Gasper Corso, Cleveland attorney and candidate for the legislature, who was the principal speaker, presented some interesting figures in regard to the small appropriation allowed the Ohio insurance department, particularly in view of the immense amount of fees and premium taxes collected through it and compared the situation in this respect with that of the neighboring state of Pennsylvania.

Some alarm was expressed in regard to the apparently increasing number of crooked agents in Ohio, who get into one company after another for unpaid premium balances, then as soon as they are discharged, they seem to get licenses from another. It was stated that the Cleveland club has reported a number of cases of this sort to the Ohio department.

Two Sales Demonstrations for Chicago Sales Congress

Instead of the one sales demonstration originally planned for the accident and health sales conference to be staged by the Accident & Health Insurance Club of Chicago in the Chicago Board auditorium, Insurance Exchange building, the afternoon of Nov. 16, it has now been decided to have two such demonstrations.

James Ledy of the S. T. Whatley agency of the Aetna Life and Halsey Steins of the Chicago branch office of the Continental Casualty will each give 15-minute talks on "How I Sell Accident and Health Insurance." Both are proved producers, specializing in that field, and both have developed especially good sales talks, so that this is expected to be one of the important features of the congress.

It was announced this week that Charles W. Davis, in charge of accident and health production for the Pacific Mutual Life in Chicago, will be the presiding officer at the congress and in his opening address will give a general review of the subject of accident and health insurance. Arrangements are



Easy Pickin's

Cotton—the money crop of Texas, is moving. When it moves, money moves. In other States other crops are being harvested. Harvest time is buying time; new cars, new furniture, new homes, etc. All

of which means new insurance.

Yet money has, temporarily at least, lost its tendency to circulate for long. May we offer this advice to our agents: Get it while the getting is good.

Universal Automobile Insurance Company Trinity Fire Insurance Company DALLAS

AUTOMOBILE	PUBLIC	BURGLARY	ACCIDENT
LIABILITY	LIABILITY	THEFT	HEALTH
PROP. DAMAGE	TEAMS	PLATE GLASS	WORKMEN'S
COLLISION	ELEVATOR	STEAM BOILER	COMPENSATION

General Accident
FIRE AND LIFE
ASSURANCE CORPORATION, Ltd.
FREDERICK RICHARDSON, United States Manager
GENERAL BUILDING - 4TH & WALNUT STS.
PHILADELPHIA

being made for several other good speakers, who will be announced later.

Goes on Mutual Basis

A mutual plan of operation has been adopted by the Progressive Assurance of Minneapolis, which originally was organized as an assessment association. The name has been changed to the Progressive Mutual Assurance.

Zell Detroit Secretary

DETROIT, Oct. 26.—H. H. Jones, state manager for the Commercial Casualty, has resigned as secretary of the Accident-Health Managers Club of De-

troit, due to the fact that he will be out of the city considerably for the next year. William Zell, assistant superintendent of agents of the National Casualty, was elected secretary in his place.

A. D. Traphagen Claim Manager

Arthur D. Traphagen has been appointed manager of the claim department of the Time of Milwaukee to succeed George R. Bryant, who resigned after 12 years with the company. Mr. Traphagen, who is a son of C. G. Traphagen, president and general manager of the Time, has been connected with the company about four years.

ment on giving formal notice within a stated period. Such a change would materially improve depository bond conditions in the state. Many if not most of the surety companies are now declining to grant such covers unless a 30-day cancellation clause is attached.

Big Slump in Contract Bonds

NEW YORK, Oct. 26.—Surety companies which have specialized in writing contract bonds—and with several the percentage of income from the line has been close to 90 percent of their total premiums—will show a heavy decrease

this year owing to the scarcity of contract offerings. Apart from federal work and some road building here and there, few construction contracts of importance have been undertaken or are contemplated in the next two months. Offices that transact a general fidelity and surety business will fare far better from a premium receipt standpoint than the specializing institutions. Fidelity and the different forms of judicial and fiduciary bond offerings have been fairly well maintained, and while the income from them will not be as large as in 1931, the decrease will not be particularly marked.

FIDELITY AND SURETY NEWS

Big Contract Projects Up

Surety Men Are Interested in the Bridge Enterprises to Span San Francisco Bay

NEW YORK, Oct. 26.—Within the next few weeks surety companies will be called upon to name rates for contract bonds covering various features in connection with the two great bridge building projects determined upon in California, and for the carrying out of which state bonds will be issued. One of the projects will be the construction of a bridge to span the Golden Gate, while the other and larger improvement will be a bridge connecting San Francisco with Oakland, across the bay. The two propositions, it is estimated, will cost not less than \$100,000,000. Performance bonds to be called for on the undertakings will run into several millions and will require the cooperative effort of the leading surety companies. Having in mind the Hoover dam experience, surety agents in California have gone upon record as expecting the regulation commission upon the San Francisco bonds when these are called for.

Demands Bond Reinsurers Accept Direct Liability

LOUISVILLE, Oct. 26.—When the George H. Rommel Co., Louisville, successful bidder on a high school building here, furnished bond in the Inland Bonding of South Bend, reinsured beyond its net line with Seaboard Surety, Excess and International Reinsurance, the board of education, in view of the fact that the premium was some \$2,500 under conference rates demanded that the reinsurers admit direct liability under the bond. It insists that they subscribe to a form prepared by attorneys for the board, under which, in event of loss or trouble on the job, the reinsurers would be directly responsible to the Louisville board.

The idea is rather unusual and has caused considerable comment in local surety circles.

The **Lloyds Casualty** has been licensed in the Dominion of Canada. H. Begg of Shaw & Begg of Toronto is named as chief Canadian agent.

YOUR NAME

● Send 10c for sample to the National Underwriter, A-1946 Insurance Exchange, Chicago.

is kept before your prospects 365 days a year at a cost of 1c a month by means of the National Underwriter Insurance Calendar.

Limitation Rule Effective

Restriction of Agencies in Pennsylvania, New Jersey and Michigan Works Well, Company Men Say

NEW YORK, Oct. 26.—Though but six weeks have elapsed since the fidelity and surety acquisition cost conference made effective its rule strictly limiting the number of general agencies or branch offices and of district agencies each member company was allowed to maintain in Pennsylvania, New Jersey and Michigan, company officials profess to be well satisfied with the result. They maintain that many of the evils which accompanied the competition of an excessive number of field representatives have either been eliminated or greatly modified, and that relatively few complaints of unethical practices are heard from the states named.

The application of the limitation rule to those states was in the nature of an experiment. Now that it has proven satisfactory, it is probable that it will be extended to additional states from time to time, as the special committee of the conference studying the proposition may recommend. There is no immediate prospect, however, that any new states will be added.

Bail Bond Bureau Liability Schedule Has Been Revised

NEW YORK, Oct. 26.—A rearrangement of the percentage liability assumed by each member company of the Bail Bond Bureau of this city was decided on at a recent meeting of company representatives. The bureau, created at the earnest solicitation of Albert Conway, then superintendent of insurance, was launched two years ago and has been a force in eliminating many evils in the local bail bond situation, which had attained such proportions as to call for scathing condemnation from a number of magistrates. In its second year the bureau furnished bail for 2,021 persons, in the total amount of \$2,434,900. It charges 3 percent for the term of bail bonds required in state courts, and 3 percent for those demanded in federal cases. The associated companies suffer from the rate "chiseling" by a number of non-affiliated offices, which maintain runners to solicit business about the court rooms, and are hoping the insurance department will order a cessation of this practice.

It has been suggested that the bureau extend its scope to other centers of the country, but there is no prospect at present that this will be done.

May Amend Pennsylvania Law

PHILADELPHIA, Oct. 26.—Surety men expect that at the next session of the Pennsylvania legislature an effort will be made to amend the statute governing the issuance of bonds covering public fund deposits, by permitting cancellation by either party to the agree-

September Loans Published

One Casualty and Twelve Life Companies Received Total of \$2,370,000 from the R. F. C.

WASHINGTON, D. C., Oct. 26.—Thirteen loans aggregating \$2,370,000 were authorized to insurance companies during September, it is disclosed by the report filed with the clerk of the house of representatives by the Reconstruction Finance Corporation.

The largest loan was \$1,250,000 to the Maryland Casualty. Other insurance loans were as follows:

American Life of Alabama, \$25,000, none of which had been taken up to Sept. 30; Great Northern Life, \$190,000; Illinois Life, \$500,000; National Life, U. S. A., \$300,000; State Life of Illinois, \$9,500; State Life of Indiana, \$490,000; Conservative Life of Indiana, \$125,000; Farmers Union Mutual Life of Des Moines, \$90,000; Liberty Industrial Life of New Orleans, \$20,000; Michigan Life, \$200,000; Standard Life of Pittsburgh, \$90,500, and National Standard Life of Texas, \$80,000, none of which had been taken up to Sept. 30.

Changes Made in Madison and Midwest Companies

The Madison and Midwest insurance companies, which are affiliated and write truck and bus, or common carrier lines, have moved from quarters at Fourth and Market streets, Louisville, to Jeffersonville, Ind., where they have purchased the old Hutchison residence property, at 212 Riverside Drive. This is being remodeled for home office property.

The Madison, formerly of Madison, Ind., was formed in 1831, chartered by the Indiana legislature, and never operated under general corporate or insurance act, and its charter was so broad that it could write virtually any kind of insurance, but originally was known as a local fire insurance company at Madison. The company was purchased from the receivers some seven or eight months ago, and at that time reorganized to write exclusively common carrier lines. It has since been licensed in California, Arizona, Tennessee, Illinois and has application pending in Texas.

Both companies have the same officers and directors. The Midwest was a former Indianapolis company, organized in 1832, and also granted a charter by the Indiana legislature, and later reorganized by its present owners to write common carrier lines exclusively, the company having withdrawn from Kentucky about two weeks ago, and confining its present writing to Indiana.

The Madison is capitalized at \$200,000, with surplus of \$87,000. The Midwest is capitalized at \$100,000, and lists surplus of \$25,000.

Officers serving both companies are B. A. Murrell, formerly of Chicago, president; B. M. Murrell, vice-president; W. W. Tapp, Louisville, secretary; Dr. O. M. Yeager, Louisville, treasurer; Dr.

Curran Pope, Louisville, chairman of the board, and H. C. Baldwin, Illinois Building, Indianapolis, is underwriter for both companies.

The Midwest owns a five story office building at Fourth and Market streets, Louisville, known as the Midwest Building, and occupied the top floor until moving to Jeffersonville.

The Midwest was purchased by its present owners about three months prior to acquisition of the Madison. It entered Kentucky in March 1932, and pulled out in October of the same year.

The Los Angeles board of public utilities has approved the application of the Madison for writing public and common carrier insurance on lines coming under consideration of the board. Vickrey & Hill are general agents in southern California and Arizona.

Union Indemnity Financing

Further details of the proposed new financing by the Insurance Securities Corporation of New Orleans, in which the Union Indemnity will benefit, are made known. Stockholders of the Insurance Securities Corporation will meet Nov. 3 to ratify the proposal. The plan is to convert the present \$10 par value stock of the Insurance Securities Corporation into 4,000,000 shares of \$1 par value common stock and to issue 2,000,000 shares of new \$1 per share par value convertible cumulative preferred stock.

The common and preferred stock will have equal voting power and it is provided that a 6 cent per share cumulative dividend will be paid on the new preferred. After the preferred dividends have been paid in full the common may receive a 6 cent per share dividend. Then any additional dividend payments are to be divided equally share and share alike.

Another provision is that the preferred stock will be redeemable at any time at \$1.25 per share, plus all dividends and the stock may be converted at any time for common stock.

Present stockholders may take the new stock in proportion to their present holdings, providing they exercise that right by Nov. 15. The rest of the issue has been underwritten in the east, it is understood.

Southern Surety Claims Heavy

LANSING, MICH., Oct. 26.—Michigan claims against the Southern Surety are much heavier than had been expected, according to Ralph M. Wade, second deputy commissioner and Ingham county receiver. Oct. 22 was the final date for filing claims and Judge Carr of the circuit court will conduct a hearing here Nov. 14. Nearly a dozen claims, some of them of sizeable proportions, have come in since the deadline, Mr. Wade said. They cannot be considered until all of the claims filed in accordance with the court order are settled and as there is no prospect that 100 percent payment can be made on these, it is obvious that the late-comers can expect nothing.

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"WESTERN AND SOUTHERN GROUP"

**THE
WESTERN AND SOUTHERN
INDEMNITY COMPANY**

Policyholders Surplus
\$1,446,300.86

All Securities Valued at
Market June 30, 1932

△ △ △

Charles F. Williams, President

**CINCINNATI,
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**THE
WESTERN AND SOUTHERN
FIRE INSURANCE COMPANY**

Policyholders Surplus
\$462,180.41

All Securities Valued at
Market June 30, 1932

Address—
William C. Safford, General Manager